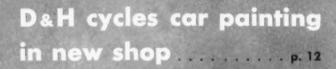
Railroads must educate the public if they want to win pricing freedom...p. 46

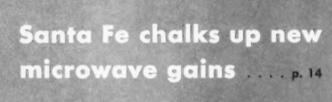
May 22, 1961

RAILWAY AGE WEEKLY







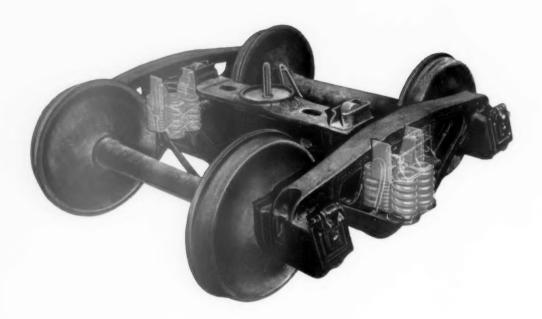






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Canadian Pacific controls 110 miles of single track with this new Union Traffic Control Center

The Canadian Pacific Railway recently installed a Union Traffic Control Center on one of the busiest sections of CPR track in Western Canada . . . and abandoned one of the prior two tracks.

The new unit controls 110 miles between Moose Jaw westward to Swift Current, Saskatchewan. In this busy 110-mile stretch are ten sidings, each capable of handling 150-car freight trains. A total of 25 locations are controlled by this new Union Traffic Control Center.

With Union Traffic Control Centers, railroads can consolidate control in strategic locations and ultimately control an entire railroad from one central point. The Traffic Control Center is flexible. It expands vertically and horizontally to accommodate additional track diagram modular units. In fact, the Canadian Pacific Railway will be able to control train movements eastward from Moose Jaw to Broadview, Saskatchewan, a distance of 134 miles, by adding another tier of track modules to this Traffic Control Center in Moose Jaw.

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RAILWAY AGE

WEEK AT A GLANCE

May 22, 1961 • Vol. 150, No. 21

Railroads defend rate freedom

Senate hearings now under way will determine whether the industry will be able to preserve

D&H cycles car painting in new shop

The shop will be able to process 1,500 cars a year on a single shift, 40-hr-per-week basis. It

Santa Fe chalks up new microwave gains

An estimated \$5,375,000 will be spent by the road for its 2,600-mile mainline microwave system. The latest installation is between Bakersfield and Barstow, Cal. p.14

C&NW not 'begging' at merger table

Chairman Ben W. Heineman says merger with the Milwaukee, and possibly also with the

Short line mechanizes tie renewals

The High Point, Thomasville & Denton has adapted its 1953 Ford tractor for tie renewing

Piggyback report from Holland

Trailer-on-flat-car operations are still a novelty in Europe, but interest is growing. The major

Schoeppel urges less control

The ranking GOP member of the Senate Commerce Committee believes the time has come

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Railway Age, established in 1856, is indexed by the Business Periodicals Index, the Engineering Index Service and the Public Affairs Information Service. Name registered in U.S. Patent Office and Trade Mark Office in Canada. Published weekly by the Simmons-Boardman Publishing Corporation at 440 Boston Post Road, Orange, Conn. Second-class postage paid at the Post Office at Orange, Conn. James G. Lyne, chairman of the board; Arthur J. McGinnis, president and treasurer; Duane C. Salisbury, executive vice president; George Dusenbury, vice president and editorial and promotion director; Robert G. Lewis, Joe W. Kizzia, M. H. Dick, M. J. Figa, vice presidents.





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RAILWAY AGE

WEEK AT A GLANCE

Justice Department backs NYC plea

Consolidation of five pending eastern merger cases into a single proceeding would save "extra-

The Action Page—Hoffa attacks RR pricing freedom

The attack may be an unintentional favor. To counter it effectively, railroads will have to

Short and Significant

Class I railroad employment . . .

edged upward in April, the ICC reports. At mid-month the number of employees totaled 707,969-0.3% above the March figure but 11.1% below April 1960.

NKP and Wabash stockholders . . .

gave their approval at separate meetings last week to the N&W-NKP-Wabash union. In both cases, over 99% of stock voted favored the consolidation,

Santa Fe has purchased . . .

a 90-acre tract three miles from the Chicago Loop (formerly International Harvester's Mc-Cormick Works) for development as an industrial warehousing and distribution center.

Transistorized traction control

using static components in place of high-maintenance relays and interlocks, has been developed by General Electric for transit and commuter cars; 60 sets of the controls have been sold.

The railroads' fuel bill ...

will be increased by \$148 million a year if the tax depletion provision as applied to the oilproducing industry is eliminated, says the Independent Petroleum Association of America.

Current Statistics

•	
Operating revenues	
3 mos., 1961 \$2	1,128,831,304
3 mos., 1960 2	,411,781,592
Operating expenses	
3 mos., 1961 1	,781,378,954
3 mos., 1960 1	,913,520,598
Taxes	
3 mos., 1961	228,698,551
3 mos., 1960	266,396,272
Net railway operating income	
3 mos., 1961	23,193,025
3 mos., 1960	147,036,382
Net income estimated	
3 mos., 1961Def.	13,000,000
3 mos., 1960	99,000,000
Carloadings revenue freight	
18 wks., 1961	9,032,835
18 wks., 1960	10,710,697
Freight cars on order	
April 1, 1961	15,801
April 1, 1960	42,131
Freight cars delivered	
3 mos., 1961	9,347
3 mos., 1960	13.850

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Change of address should reach us three weeks in advance of next issue date. Send old address with new, enclosing, if possible, your address label. Post Office will not forward copies unless you provide extra postage.

Circulation Dept.: W. A. Cubbage, Circulation Manager, 30 Church St., New York 7, N. Y. POSTMASTER—SEND FORM 3579 to EMMETT ST., BRISTOL, CONN.

Printed at the Wilson H. Lee Co., Orange, Conn.



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"A good magazine is a tool, to be used again and again, not just read, filed and forgotten. We use Railway Age in three ways: as a regular, reliable source of information about the railroad industry and its place in the national economy; as a textbook on the practical application by other railroads of ideas and methods; and as a stimulus toward the development of new ideas within our own company. Monday is Railway Age day on the New Soo."

Leonard W Murray

Railroads Defend Rate Freedom

▶ The Story at a Glance: The rail-roads last week were defending what pricing leeway they got in the 1958 Transportation Act's rate-freedom provision, which is now Section 15(a)(3) of the Interstate Commerce Act. The defense, by Vice Presidents Jervis Langdon, Jr., of the Baltimore & Ohio, and J. E. Gilliland of the Frisco, was put into the record of the Senate Commerce Committee's hearing on Senate bill 1197, which, the railroads charge, would roll back the rate-making rule to make it even more restrictive than it was before the 1958 amendment was added.

The bill is supported by water carriers, truckers, and President James R. Hoffa of the International Brotherhood of Teamsters. In addition to that of the railroads, there were opposition presentations from the Railway Labor Executives' Association and the Freight Forwarders Institute. Another opposition presentation will be made by the National Industrial Traffic League.

Senate Commerce Committee hearings on the bill to amend the 1958 Transportation Act's rate-freedom provision got under way May 11 with the committee's large hearing room filled to capacity and the adjacent corridor crowded with others seeking admittance. For the second day's session, the hearing was transferred to a larger room which accommodated all desiring to attend.

In these crowds were delegations of members of the International Brotherhood of Teamsters and their wives who had come to Washington to point up support which the bill is getting from IBT and its president, James R. Hoffa. Some delegations of railroad employees were also in town, making calls on their senators to urge defeat of the bill. Comments of senators at the hearing indicated that the volume of pro and con letters on the bill may be setting something of a record.

Co-sponsors of the bill with Senator Bartlett of Alaska are Senators Cotton of New Hampshire, Hartke of Indiana, Monroney of Oklahoma, and Yarborough of Texas. As the hearings got under way, Senator Bartlett made a statement to comment on allegations that introduction of the bill had been suggested by IBT President Hoffa. The senator said:

"I want to say for the record that.

prior to the introduction of the bill, I had no conversation with Mr. Hoffa or any member of his union. They did not ask me to introduce the bill—though it would have been perfectly proper for them to do so."

The bill would, in the railroad view, emasculate the rate-freedom provision. It would add provisions stipulating that ICC consideration of competitive rates must include consideration of the effect of such rates on the earnings of carriers proposing them, the competitive necessity for them, the effect "upon a lawful rate structure," and the tendency "to cast an unjust burden upon other traffic." Section 15(a)(3) now reads as follows:

"In a proceeding involving competition between carriers of different modes of transportation . . . the Commission, in determining whether a rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of traffic by the carrier or carriers to which the rate is applicable. Rates of a carrier shall

not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in the Act."

Committee Chairman Magnuson's opening statement said the bill "raises fundamental policy questions," because "competitive ratemaking is the heart of regulation." The chairman went on to recall that the present Section 15(a)(3) was included in the 1958 Act after extensive hearings and agreement by all interested parties. That agreement "has now given way to differences of opinion," Mr. Magnuson added.

He expressed his hope that the hearings would "clear the air." He said, too, that a review of 11 ICC decisions in competitive rate cases "indicates that the ICC had 11 different positions."

First presentation in support of the bill was that of American Trucking Associations—made by the association's general counsel, Peter T. Beardsley, and its director of traffic, Frederick G.

New B&O President: Jervis Langdon, Jr.

Jervis Langdon Jr., vice president and general counsel of the Baltimore & Ohio, last week was elected president of the road, effective June 1. He will succeed Howard E. Simpson, who will become chairman of the board and chief executive officer. Col. Roy B. White, now chairman of



O L

HOWARD E. SIMPSON

the board, will become honorary chairman.

Other changes announced following a directors' meeting in New York: Lloyd W. Baker, vice president—staff, elected senior vice president; John I. Barnes, assistant vice president—finance and accounting, elected vice president accounting and freight claims; Frederick E. Baukhages, III, general solicitor, elected vice president—finance; Albert W. Clements, Jr., assistant to the president, appointed assistant to the chairman of the board and chief executive officer; Richard L. Harvey, manager labor relations, appointed director of labor relations.

Walter L. Price, who will retire May 31 as vice president—finance and accounting, was elected a director.

Freund. Their plea, in general, was that the proposed legislation be enacted to "end a selective rate-cutting campaign instituted by the railroads to destroy their competitors." They charged the ICC with "abdication of duty" in having "wrongly interpreted" the 1958 Act "to mean that it must no longer consider the effect of reduction in rates on the nation's transportation system as a whole."

What the Commission has done, as Mr. Freund put it, is interpret the new language as "authorizing it to resolve the question of the lawfulness of reduced rates on competitive traffic solely on the basis of the private economic interests of the carrier proposing them

and the shippers of the particular traffic to which they apply."

The additional criteria which the bill would require the Commission to consider "are not new," Mr. Beardsley said. "Indeed," he added, "the Commission should be considering all of them in current rate proceedings. Certainly it did so prior to the passage of the Transportation Act of 1958, and we can find nothing in that legislation which remotely indicates a congressional desire that it discontinue that practice."

Anticipating that the Commission "will contend that it has continued to apply these criteria," Mr. Beardsley said: "If that be so, then S.1197 merely

reminds the Commission of its continuing duty to apply these criteria in future proceedings."

The ATA general counsel also referred to "recent railroad history" which he interpreted as indicating that "railroad actions hardly match their professed love of free and open competition." He had in mind the railroads' opposition to extending rate freedom to competition between carriers of the same mode of transportation as well as to intermodal competition.

"What we can't understand," Mr. Beardsley added, "is how the same rail-roads who are so anxious to battle with (Continued on page 33)

WATCHING WASHINGTON WITH WALTER TAFT

• THE ICC OPPOSES appointment of its chairman by the President. That President Kennedy plans to submit such a proposal to Congress was indicated by his message on regulatory agencies (RA, Apr. 17, p. 12).

THE COMMISSION'S VIEW was stated recently by Chairman Hutchinson. He gave it in response to questions at a House appropriations subcommittee hearing on Commission appropriations. The Commission now selects its own chairman and rotates the assignment annually on the basis of seniority. "We think that is the better approach to the matter," Chairman Hutchinson said.

COMMISSION EXPERIENCE supports this view, Mr. Hutchinson also said. He recalled that the Commission has tried the extended-term plan—but each time it went back to annual rotation. The latest of these experiments came in mid-1939, when the late Joseph B. Eastman was elected chairman for a three-year term. The experiment ended in 2½ years, when Mr. Eastman relinquished the chairmanship (though he remained a member of the Commission) to become director of the wartime Office of Defense Transportation.

• MERGER AND PIGGYBACK-RATE STUDIES are under way at the ICC. They are being made by the Bureau of Transport Economics and Statistics. This, too, was revealed by the House hearing's record which was released last week. Bureau Director Edward Margolin said the Commission recently authorized these studies and also asked the bureau "to try to keep on top of the various changes and developments that are taking place as to their impact on the carriers under the Commission's jurisdiction."

• INTERLUDES of drama and levity have marked the Senate Commerce Committee's hearing on proposed legislation to emasculate the 1958 Transportation Act's rate-freedom provision. The emasculation proposal is in Senate Bill 1197. Opposed by the railroads, railroad employees, freight forwarders and the National Industrial Traffic League, the bill is supported by water carriers, truckers and President "Jimmie" Hoffa of the International Brotherhood of Teamsters.

DRAMA was supplied by Senator Lausche of Ohio. He said S.1197 would repeal the rate-freedom provision, which is now Section 15(a)(3) of the Interstate Commerce Act. He recalled that the provision was the subject of extensive hearings and conferences; and that the final version was accepted by all interested parties. In view of that record, "it's a travesty of the worst type to even request repeal," Senator Lausche shouted as he bolted from the hearing room.

LEVITY came when Senator Bartlett of Alaska, who introduced S.1197 for himself and four other members of the committee, suggested that the number of pro and con letters received about the bill may have broken some records. Senator McGee of Wyoming agreed, saying he had to hire an additional secretary to handle his share of that mail. "Perhaps, then, I'll turn out to be the man who reduced unemployment," Senator Bartlett quipped.

ANOTHER LIGHT TOUCH was supplied by Committee Chairman Magnuson. He said he rode to Capitol Hill on the hearing's opening day in a taxicab with another passenger who identified himself as one on his way to appear in opposition to the bill. The chairman said he asked his fellow passenger if he had read the bill and got a negative reply. "So," Mr. Magnuson added, "I said, 'why don't you read it and you might get your testimony in better shape.'"

• PRICES PAID BY RAILROADS for fuel, materials and supplies continue to rise. The AAR's latest quarterly index, for April, is 145.4—up a point from January's 144.4. Higher fuel prices were the principal cause of the increase. Excluding fuel, the April index was only one-tenth of a point above January's—159.6 compared with 159.5.

Minimum Shipment Called 'Retail Enemy No. One'

Retailers are in a position to take at least some action against one of their major traffic problems—the increasing size of minimum shipment charges. That is the opinion of Robert E. Vantine, traffic manager of Bloomingdale's and chairman of the transportation committee. National Retail Merchants Association Traffic Group.

Speaking at NRMA's 40th annual Traffic Group conference, Mr. Vantine asserted that the "aggregate volume of minimum shipments handled by retail stores in this country exceeds 500 million each year. Percentage increases in minimum charges since 1946, to the present time are astronomical," he added. "Railway Express in 1946 had a minimum of 39¢. REA Express today is \$2.77, making a 700% increase. The railroads had a 45¢ minimum in 1946, which was raised last year to \$4.00, making this increase total 900%."

Motor carriers and freight forwarders present the same picture, Mr. Vantine noted. "By motor carrier from New York to Baltimore, [charges are] \$4.65 minimum; New York and Chicago, \$6.46 minimum; New York and St. Louis, \$6.84 minimum," according to Mr. Vantine.

"How do we beat this 'retail enemy No. One'?" he asked. "Unfortunately I do not have the complete answer, but I can suggest a plan of action, which I am sure will cut down the minimums for many stores. Start with a survey of your own freight bills. Take six months if possible, to obtain the complete picture. Break this down by department and show the vendors involved. If your analysis reveals an excessive number of minimum shipments in certain departments, talk with the buyer and find out why this is happening and see what can be done to correct the situation. . .

"Consider the possibility of ordering in larger quantities. Try to show the buyer the relationship of the transportation dollar to the cost of purchase. Crackdown on incomplete orders and make the vendor pay all freight charges after the initial part of the order is received. Make use of REA incentive rates wherever possible. . . . You can also utilize the freight forwarder package rates from many points. . . . Investigate the possibilities of pooling minimum shipments with other companies in the same area, to obtain lower costs. Try to assemble small shipments in smaller cities. . . . Shop around for this type of service with your preferred carrier and don't assume that all carriers of the same kind are obligated to charge the same rates."

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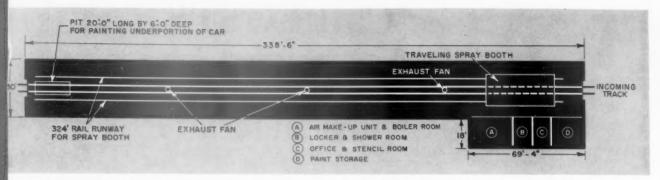
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Faster From Foster



FLOOR PLAN of new shop indicates arrangement of facilities for production-line painting of six cars per shift.

Large lettering on fresh paint will help provide a "lively and fresh impression of the vitality of the D&H system."

New D&H Paint Facilities Will

The \$8.7-million maintenance-ofequipment program scheduled for the Delaware & Hudson for the remainder of this year (RA, May 1, p. 39) includes fresh paint for 1,500 of the road's 10,000 freight cars and 70 of the road's 166 locomotives, in addition to heavy overhaul of 28 locomotives and 450 cars.

The new paint job on the cars is to be undertaken as the first stage of a repainting cycle that will bring cars in for fresh paint every sixth or seventh year. To handle the painting cycle on an efficient production basis, D&H has a new paint shop at its Oneonta, N.Y., yard. Completed and put in service in late 1960, the Oneonta facilities handle six cars a day on present single-shift operations. The new facilities are designed to expand easily to handle more cars by operating on a two- or three-shift basis.

Fresh paint on D&H freight cars and locomotives is in keeping with a "new look" on the railroad that has been evident since the D&H received the first of six new 1,800-hp diesel electric locomotives from Alco (RA, Feb. 27, p. 51). On these, a striking combination of Avon blue, chrome yellow and pearl grey shades replaced D&H's time-honored solid-black color scheme. The new colors will eventually be applied to all D&H motive power as units become due for repainting.

In announcing the new color scheme, Vice President, Operation and Maintenance, J. P. Hiltz, Jr., remarked: "At a time when we are all concerned with the fate of the railroads, we decided to brighten the picture, insofar as the appearance of the locomotives is concerned, in order to give a lively and fresh impression of the vitality of the D&H system. The new color scheme

will also focus attention upon our efforts to improve our service by the purchase of new locomotives."

No less important than locomotive appearance in this respect is the appearance of the road's freight cars, Mr. Hiltz points out. It is the freight cars that the public sees most often and, from them, that at least a part of the public image of the road is formed.

D&H, which had no special facilities exclusively for painting freight cars prior to completion of the new shop, designed the Oneonta shop to operate smoothly and efficiently with a minimum work force.

As Superintendent of Equipment W. L. Lentz describes it, cars to be painted are set out on storage tracks adjacent to the building by the transportation department. Enough cars are provided to keep the paint shop production line supplied for whatever shifts are being worked. The facility is operating its single shift on a 40-hr-per-week basis.

One man is assigned to prepare the cars for painting. Using a Whiting Trackmobile, he moves cars from the storage track to the sand blasting area on the incoming track. Box cars are painted brick red, gondolas and hopners black.

A Blackwelder Steel Squirrel, model F-10, is used for the sand blasting operation. Use of the "squirrel" makes it unnecessary to provide platforms for the blasting. Developed for use in apple orchards, the squirrel can be controlled by the operator from the cage to raise or lower the cage to any desired height.

When the cars have been prepared, the Trackmobile is used to position them on the incoming track at the door of the shop. At the end of a day's operation, six cars will be waiting; six will be finished and ready to pull out

at the other end of the shop on the lead to the transportation yard.

Inside the shop a DeVilbiss traveling spray booth is operated on a 324-ft runway—ample for six 50-ft cars. At the finishing end of the shop a pit 20 ft long and 6 ft deep, equipped with floodlight, is provided for spraying the under portion of cars. A one-spray, fast drying paint is used in the heated shop. By the time the booth has traveled from one end of the line to the other, the first car is dry enough to permit application of stencils.

The spray booth is equipped with two exhaust fans, each having a capacity of 8,400 cfm. The fans deliver the air to a stationary exhaust duct, which runs the length of the building.

Three exhaust fans are on the roof of the building. These fans maintain suction in the stationary exhaust duct and discharge the exhaust air to the outside. Only one of these fans is in operation at a time. Limit switches are used so that fans cut in or out, depending on the position of the spray booth as it travels. Each roof fan has a capacity of 19.600 cfm.

The air make-up unit, located in an annex to the main paint shop bay, has a capacity of 18,000 cfm. In the same annex are the boiler room, locker and shower rooms, office, stencil room and paint storage. Vats for cleaning the stencils are provided at the finish end.

As C. E. Gregory, assistant master mechanic at Oneonta, puts it, "This is a very smooth operation. It certainly makes painting cars a lot simpler."

TRAVELING SPRAY BOOTH is operated on a 324-ft runway, making it possible to paint six cars on each shift

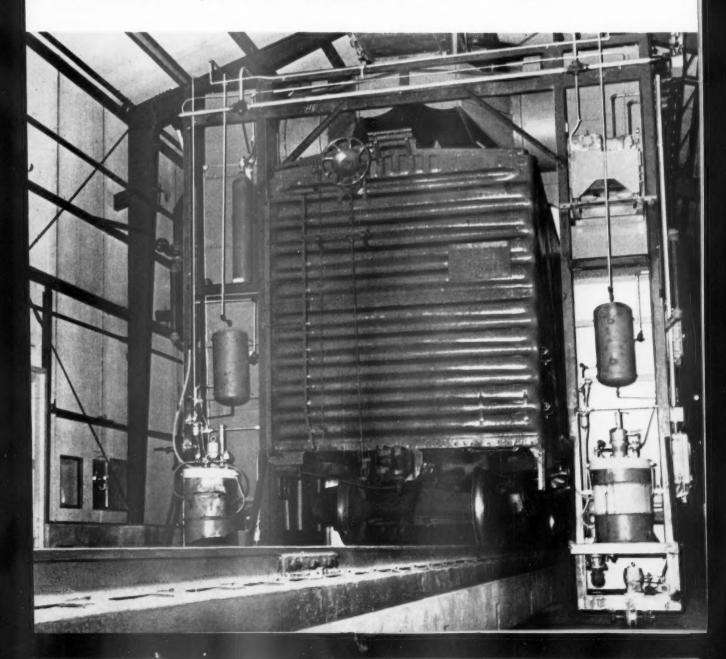


"SQUIRREL," developed for orchard use, provides sand blaster with a height-adjustable platform.



FRESHLY PAINTED CARS are switched by a Whiting Trackmobile. The same unit also positions incoming cars.

Process 1,500 Cars Per Year





Santa Fe's 2,600 Miles of

► The Story at a Glance: The Santa Fe is well along with its program of providing microwave radio for through trunk-line communications systems along its major mainlines. Mileage of microwave in service totals 529, with another 969 miles under construction, and 1,113 miles of microwave in various stages of planning.

One of the latest segments to be placed in service is between Bakersfield and Barstow, Cal. An unusual feature of this installation is the regular use of microwave for the transmission of traffic control system code,

An estimated \$5,375,000 will be spent by the Santa Fe for its 2,600-mile mainline microwave system. The estimated cost of the five segments already in service is \$695,000 (see table); four other segments under construction are expected to cost \$2,180,000; and the cost for three other segments now being planned is put at \$2,500,000.

The extent of Santa Fe's microwave communications plans was revealed last year by President Ernest S. Marsh in his testimony before the Federal Communications Commission in the AT&T-railroad telephone interconnec-

tion hearing. He said: "Our program for new microwave systems is sufficiently advanced that within a few years we anticipate that the entire mainline of the Santa Fe system from Chicago to Los Angeles will be protected by a microwave system."

The most recent segment of the rapidly expanding microwave system installed by the Santa Fe is in California between Bakersfield and Barstow. The area is mountainous and includes the well-known Tehachapi Loop. From Bakersfield to Mojave, Santa Fe trains operate over the tracks of the Southern Pacific. At Fresno, north of the microwave link, the Santa Fe has a CTC machine controlling the Mormon-Bakersfield and Mojave-Barstow traffic control territories.

Signal controls for the line north of Bakersfield are transmitted via the usual code line arrangement. Controls for the line from Mojave to Barstow, however, are transmitted via carrier from Fresno to Bakersfield, thence via microwave to Barstow, where they double back on a code line to Mojave. The microwave segment is 126.4 miles long (the railroad is 138.3 miles between the same points), and includes

three repeaters—at Flash Two, Oak Creek, and Bena. The hop from Flash Two to Oak Creek is unusually long, 76 miles, made possible by the mountain elevations.

The Collins Radio microwave equipment used has a capacity of 120 channels. Stromberg-Carlson multiplex (channelizing equipment) provides the circuits for the dispatcher's phone, a superintendent's dial phone, and, sharing the third channel, the TCS (traffic control system) code and a printer circuit. A duplex telegraph wire circuit is available as a standby. Thus far, outage time has been negligible.

All repeater stations can be reached throughout the year with a panel truck. The stations are supplied with commercial AC power and LPG (propane) driven alternators for standby. A 250gallon LPG tank is provided at each location. Flash Two is provided with a U.S. Motors "Micropower" standby power unit of the continuously running type. Normally, the alternator takes power from the commercial supply to drive the unit. When that supply fails, a flywheel supplies the rotational energy for the few moments it takes for the internal combustion engine to begin driving the alternator, thus avoiding even a momentary loss of AC power. Bena is supplied with a 3.5-kw emergency power unit, and Oak Creek with a 5-kw unit, both manufactured by Onan. The slightly larger capacity of the Oak Creek unit is in anticipation of a point-to-point VHF radio station to be constructed there.

The microwave equipment is in duplicate and operates with hot standby. Automatic switching equipment transfers operations from a faulty transmitter or receiver to its reserve virtually instantaneously. The service sub-channel voice frequency circuit is brought into the wire chiefs' test boards at Bakersfield and Barstow, allowing them to conveniently talk with maintainers at any of the stations. A fault alarm system rides the baseboard and relays trouble indications to Barstow. It is possible to indicate up to four faults at each station, but at present only the indication that a standby receiver, transmitter, or standby power has been switched into service is transmitted.

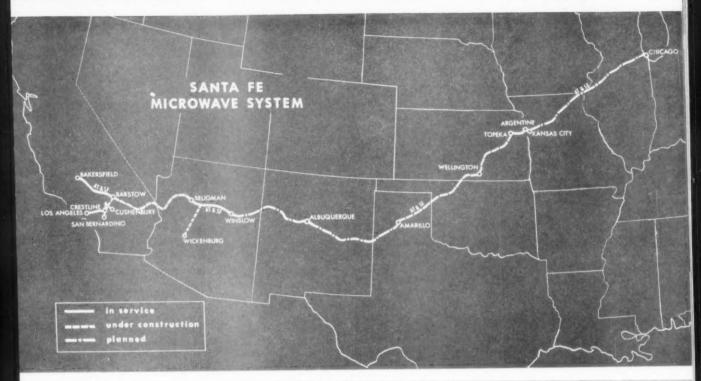
A maintainer with headquarters at Barstow tends that station and Flash Two. The maintainer at Bakersfield cares for the terminal there and for the repeaters at Bena and Oak Creek.

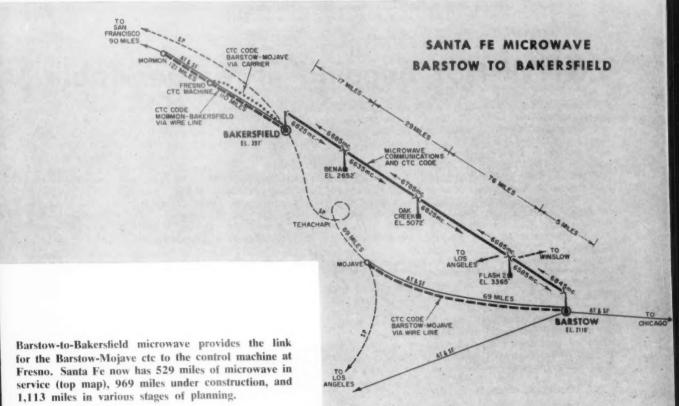
(Continued on page 37)

AT&SF Microwave Installations

COST	LOCATION	MILES IN SERVICE
	Beaumont-Galveston, Tex.	68
	San Bernardino-Cushenbury, Cal.	56
\$695,000	Topeka-Argentine, Kan.	61
\$073,000	Barstow-Bakersfield, Cal.	141
	Los Angeles-San Bernardino, Cal.	70
	Winslow-Seligman, Ariz.	133
		529
		MILES
		UNDER
		CON-
		STRUCTION
	Cresline-Barstow, Cal.	55
	Barstow, CalSeligman, Ariz.	314
\$2,180,000	Amarillo, TexWellington, Kan.	311
\$2,100,000	Wellington-Topeka, Kan.	195
	Williams-Wickenburg, Ariz.	94
	(969
		MILES
	*	PLANNE
	Winslow, Ariz- Albuquerque, N.M	288
	Albuquerque, N.MAmarillo, Tex	375
\$2,500,000	Kansas City, KanArgentine, KanChicago, III.	450
	(1,113

Microwave to Cost \$5,375,000





Burlington Welcomes 50 G-85's



CB&Q took delivery May 12 of the first of 50 General American 85-ft piggyback flats leased from Trailer Train. In photo at left, Deodat Clejan, General American piggyback division manager (facing camera), points out operational highlights of G-85 to (back to front) H. C. Murphy, CB&Q president; T. M. Thompson, board chairman, General American, and J. J. Alms, president and board chairman, Burlington Truck Lines. The occasion was also used to demonstrate a new airoperated tractor hook for lowering and raising the recessed trailer hitch. In photo at right, Don Denniston (center), Burlington Truck Lines shop superintendent



at Chicago, describes the device he designed to E. L. Griffith, left, general manager, and Warren Wheeler, assistant general manager, Burlington Truck Lines, Device permits one man in the cab of a tractor to secure a trailer on the G-85 flats without leaving the driver's seat. Switch inside the cab activates the air-operated mechanism that drops an engaging hook as the tractor driver backs the trailer onto the flat car. By means of a pulley arrangement the hook pulls the trailer hitch to the raised position and firmly locks the trailer into position for travel. (Trailer Train also delivered 25 of the new General American flats to Illinois Central.)

C&NW Not 'Begging' at Merger Table

Chicago & North Western is "prepared, willing and desirous," where merger negotiations with the Milwaukee Road are concerned—but at the same time, C&NW "is not a beggar at anyone's table," Chairman Ben W. Heineman told shareholders at the road's annual meeting last week.

Mr. Heineman said North Western "continues to believe that C&NW-Milwaukee merger, and conceivably a three-way merger (including Rock Island), is desirable. . . . However, I do not regard it as imperative for North Western's survival. . . . I do not agree with some who believe merger is necessary at any price."

A merger, he noted, would clearly be in the best interest of North Western and its security holders if it were consummated "on terms fairly reflecting the contribution of North Western to the resulting company" and on terms fair to all classes of security holders. North Western, Mr. Heineman declared, "has a potential just as great as"

that of the Milwaukee, has a substantial future and has made relative gains over the past five years in comparison with competing roads. He urged security holders not to "adopt any defeatist attitude" with regard to C&NW's future.

As to the status of C&NW-Milwaukee talks since mid-March, when the current stalemate developed: "No discussions as such have been had since then." North Western's position on the breakdown in talks has been that on

March 15—the day before a unification plan was to be presented to directors of each road—the Milwaukee "proposed a new plan, independently arrived at, which departed significantly from the plan theretofore under negotiation, and from the views theretofore expressed by [C&NW] management as to what would constitute fair and equitable treatment of North Western security holders." C&NW directors considered, then rejected, the new plan.

'Serious' Car Shortage Feared

Central of Georgia President W. E. Dillard fears that a "serious" shortage of freight cars may develop within 12 months as business continues to turn upward.

Mr. Dillard has taken steps to prevent such a shortage on his own line by ordering 100 new covered hoppers (RA, May 15, p. 59) to augment the road's present fleet of 549 hoppers. And, he noted last week. CofGa's

neighbor, the Sandersville, has ordered 25 covered hoppers. (Sandersville is currently listed as the owner of a total of three cars.)

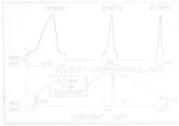
Mr. Dillard concedes that many railroads are in no position to order new cars at this time. But he thinks that "those that can possibly see their way clear" should place orders now in order to be ready for rising shipper demands.



SERVOSAFE® railroad electronic specialist John Sollesnes adjusts set of track transducers—recorder "gate" switches—for Grouping III (automatic alarm with carrier) Hot Box Detective® system on Pennsylvania Railroad main line near Edgewood, Md. Pair of "Servo" infrared trackside scanners is shown just outside rails in this typical installation.——Type of gating—interval during which scanner views passing journal box and recorder charts amplitude of heat pulse—is critical. Some other types of detector gating systems may actually miss hot boxes entirely.

'Working' on the railroads

HOW THE HOT BOX NOTES THE GATE Seavosance "valocity proportioned gate" system always views same area of journal bus — always records comparative heat guises — regardless of train speed. "Constant gate systems, on the other hand, view different area of journal box at different train speeds. "Constant gate of gate impulse relative to heat impulse due in verying train speeds, lateral movement of wheel flanges, askew trucks, scanner alignment, and rail creepage. Constant gate systems can miss hot boxes compiletely. Senvosare velocity opportunit and valoue and was a senvosare velocity opportunit and tall servosare velocity opportunity.



Due to cause found in text.

More than 275 SERVOSAFE® Hot Box Detective* systems now in successful operation on 28 major Class I railroads.

Nothing succeeds so well as success.

Nothing sums up SERVOSAFE® success so well as this popular epigram by Talleyrand. Even veteran railroadmen are often astonished at the rapid acceptance this pioneer infrared hot box detector has gained since November 1952. Its success, of course, lies in the success of the basic SERVOSAFE Hot Box Detective* system itself.

Or, more accurately, in the success of the six operational SERVOSAFE systems—more than 275 installations now working successfully on 28 major Class I railroads coast to coast.

Consider 3,000,000 hours of successful and efficient operation over the past four years alone. How many hot boxes have been caught in the nick of time? How many possible disasters have been averted? Twenty-eight railroads can provide the best answer. But what better answer than the fact that they have already ordered additional SERVOSAFE systems for installation early this year!

Be safe with SERVOSAFE. Give your experienced Servo man a call.

······ FOOTNOTE FACTS: ············

What is a hot box?—Statistics show that a normal bearing, under equilibrium conditions, will run ±30°, F. of the mean operating temperature for all journals on the train. Therefore, a bearing whose running temperature is markedly outside this range must be considered abnormal, and consequently be defined as a "bot box."

When is a hot box?-Many "hot boxes" go undiscovered during winter and show up in summer to produce the peak in set-out statistics. Yet detection of winter abnormalities would save thousands of dollars a year now lost because of irreparable damage to journal assemblies during the course of the cold season.



SERVO CORPORATION OF AMERICA

111 New South Road . Hicksville, L. I., N.Y. . WElls 8-9700

Railroad Products Division

SERVOSAFE® HOT BOX DETECTIVE® SYSTEMS RAILROAD RADIO COMMUNICATIONS SYSTEMS

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*Protected under one or more of the following U.S. Patent Nos.: 2,880,309, 2,947,857 and 2,963,575. Other U.S. and foreign patents pending.

NEW IDEAS

TO CUT TRACK MAINTENANCE COSTS

by RMC



Setting Spikes *Automatically* for Driving

New Idea, AUTO-SPIKER eliminates need for hand setting spikes by feeding spikes to each of four guns. A single operator now can have complete control of nipping ties, feeding spikes and driving spikes. Automatic spike feed is a component of the new RMC Auto-Spiker and can be factory-installed on existing SpikeMasters.





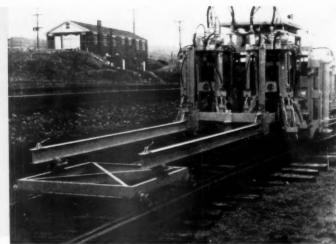
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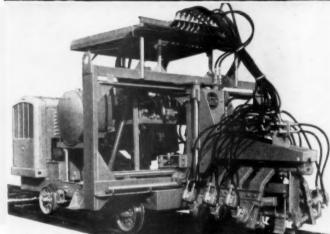
Surfacing Joints

New Idea, JOINT SURFACING DEVICE consists of a 4-wheeled aluminum cart and two 14' aluminum beams. Unit provides a direct dial reading of low spots, each rail indicated separately.



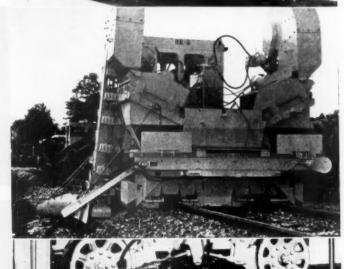
Tightening and Removing Rail Joint Bolts

New Idea, BOLTMASTER tightens three to four joints per minute with a single operator . . . using hydraulic torque wrenches for tightening or removing six or four bolts. Individual controls allow replacing broken bolts or lock washers.



Cleaning Ballast with the Distributor

New Idea, CLEANING ATTACH-MENT for McWilliams Ballast Distributor permits cleaning ballast while positioning it in the track for tamping. Also, out-offace cleaning at speeds up to 1200 feet/hour is possible. The attachment can be mounted to existing Distributors.



Spacing Ties

New Idea, POSITIVE HYDRAULIC CLAMPING for RMC Tie Spacer, which now makes machine effective for either unraised track or out-of-face work. Interchangeable high-speed cylinders for skeletonized track now are available.

HPT&D Mechanizes Tie Renewal

The High Point, Thomasville & Denton has mechanized its tie-renewal work in an ingenious manner.

The 34-mile North Carolina line felt it could not justify the cost of specialized tie-renewal equipment. The solution was to adapt its 1953 Ford tractor for tie renewing, thereby converting it into a multiple-purpose unit.

The tractor was adapted by railroad forces for less than \$1,000, according to HPT&D officers, including the cost of a winch and cable, a hydraulic lift, structural parts, and secondhand motorcar accessories.

The work of adapting proceeded on the premise that the tractor could best handle tie renewals while working on the rails. Two flanged-guide-wheel attachments, using the secondhand motorcar wheels and axles, were framed and welded at the road's shop. One was mounted on the front end of the tractor, and the other on the rear end. A large turnbuckle mounted on the front of the tractor is used to raise the front wheels clear of the rails, thereby placing all the weight at that end on the guide wheels. The hydraulic lift was mounted on the rear of the tractor for raising and lowering the rear guide wheels.

The winch, with a pulling capacity of 10,000 lb, was mounted at the rear and connected to the machine's power take-off. Reeled on the winch is a 5%-in. wire cable, 100 ft long, which has a swivel joint attached to its free end. A tie-pulling device with a handle for guiding a tie during the pulling operation is attached by a hook to the swivel joint.

Two sets of roller guides and a transverse 10-in. I-beam were mounted on the rear guide-wheel attachment. The roller guides are arranged so the free end of the cable can be reaved through them to permit working on either side of the track. Two lugs were welded to the underside of the I-beam so they come just inside each running rail when the guide-wheel attachment is lowered to working position. The lugs resist the pull on the ties and prevent derailment of the tractor. The method of operation is for the new tie to be pulled in and the old tie pushed out in a single operation.

Although the equipment needs to be refined, the tie-renewer already has proved its worth. In its best performance, which occurred during routine operations, the unit replaced 58 crossties in 38 min. The average output, says the road, has been 176 ties installed in a half mile of track in 4 hr, not including removing and redriving the spikes. Track jacks are used while removing and reapplying the tie plates. Normal procedure is to replace only those ties which can be respiked the same day, thus avoiding the need for a slow order.

The tie-renewal operation is carried out by a foreman and six men, including a machine operator, two men handling the jacks, two men positioning the ties ahead of the machine, and one man on the tie-pulling device. The tractor will be used for mechanizing other track-maintenance operations, says L. B. Dutton, general superintendent of the road. The shop personnel is working on tamping, track-broom and ballast-equalizing attachments.



TRACTOR TIE-RENEWER pushes out a failed tie while pulling a new tie into same tie bed. Track jacks are used for removing and re-applying the tie plates.



TURNBUCKLE is used to lower the front guide-wheel attachment and to raise the front wheels of the adapted tractor above the rails.

New diesel maintenance instrument simplifies evaluation of cylinder performance—speeds corrective action!

To AID railroad personnel in evaluating the performance of individual diesel cylinders, Mobil has now developed a new maintenanceinstrument-the Strobe Light Engine Indicator. This is an adaptation of the balanced pressure-switch-triggered strobe light principle which has been used in laboratory work by several engine investigators

This new instrument reveals the pattern of pressure change in a cylinder with relation to changing piston position, permitting isolation and correction of cylinders not performing in accordance with pre-determined standards.

The Strobe Light Engine Indicator is

easier to operate and can provide more information than most devices used for similar purposes. It is rugged, inexpensive and can be used wherever repair work is performed, from small outlying terminals to major terminals and back shops.

With this indicator, patterns can be obtained for compression pressures alone and also for actual firing pressures. These Pressure-Time Diagrams indicate whether compression pressures are sufficiently high, when and if firing is occurring, and at what piston positions combustion pressures buildup, peak and drop-off. Analysis of these factors enables the operator to pin-point difficulties and diagnose probable causes.

How Strobe Light Engine Indicator Operates

A balanced pressure pick-up is installed in the cylinder assembly. It consists of a metal diaphragm exposed on one side to compressed air applied at a pre-set "balance" pressure, and on the other side to the pressure in the diesel cylinder. When cylinder pressure rises above pre-set "balance" pressure, the diaphragm is pushed in, contacting an electric terminal and thereby triggering the stroboscopic flasher.

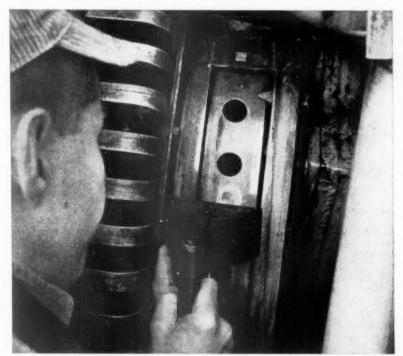
The flasher is held close to the timing pointer on the engine flywheel assembly (or, in some engines, the bronze turning gear). A brief flash of light occurs each time the piston rises on a compression stroke and appears to "freeze" the wheel's motion, permitting the operator to read the degree mark at which the light flashes.

By means of a selector switch, the light can be made to flash either as pressure rises, deflecting the diaphragm inward, or as pressure drops and the diaphragm returns to its original position, breaking the contact with the terminal.

If an operator desires a complete pressure time curve for a cylinder, he sets the balance pressure at the desired level-for example, 200 pounds—and turns the se-lector switch to "make." He then notes the degree mark at which cylinder pressure rises above 200 pounds, as revealed by the strobe light. He then turns the selector switch to "break" and observes the degree mark at which the pressure drops below 200 pounds. He repeats this process for a series of different balance pressures, noting the degree marks obtained at each level.

In actual practice, the pressures re-vealed by the Strobe Light Engine Indicator vary slightly from true cylinder pressures because the balance pressure diaphragm is not mounted flush with the combustion chamber but "taps" this pressure through an angled and small diameter adapter. However, this does not affect the usefulness of the instrument because all readings obtained with the device on similar engines are comparable to each other. Thus, a user sets his own standards for cylinder performance by checking a number of newly adjusted cylinder assemblies that are apparently functioning properly. This information serves as a standard of comparison for studying other cylinders. After standards are set up, only a few points need be checked, so that the time involved should be about the same as with a conventional peak pressure indicator.

The Strobe Light Engine Indicator is another example of Mobil service which goes beyond fuel and lubricants for the benefit of the railroad industry. This instrument will be available in the future as a complete unit including all components. Meanwhile, Mobil will furnish on request plans and instructions to assist railroads in constructing their own units with commercially available components.



Checking cylinder performance with New Strobe Light Engine Indicator, operator can observe degree mark at which cylinder pressure rises above or falls below a set level. This aids in determining whether compression pressures are sufficiently high, when and if firing is occurring, at what piston positions combustion pressures build-up, peak and drop-off-

95 years of helpful association with America's Railroad Industry



RAILROAD PRODUCTS



UFR PIGGYBACK EQUIPMENT, displayed at Royal Dutch Fair, is much like conventional U.S. piggyback

equipment, but requires special trailers. Steel wheel discs carry weight of trailer during rail movement.

Holland Looks at Piggyback

By D. W. BEADLE

Piggyback—strictly old-hat in the U.S. by now—is still a novelty in Europe. But interest is growing, and for a week and a half during March Holland had its first chance to see piggyback in action. The occasion was a demonstration of French piggyback equipment presented by the Netherlands Railways at the Royal Dutch Industries Fair in Utrecht.

A glance at the equipment displayed—road trailers and rail cars made clear that the major obstacle to piggyback in Europe is overhead clearance. Normal piggyback of the U.S. sort is out of the question.

Two types of equipment were shown at Utrecht, both developed and presently used in France. One, the UFR system, employs a freight car of fairly normal European two-axle construction. Chief difference between the UFR rail car and an ordinary four-wheeled flat

is the presence of elevated guide rails which engage special flanged wheels on the road trailer.

The trailer itself is the special item in the UFR system. Because the wheels ride at normal car-floor level, trailers are unusually low; the type in general use has its wheel-wells pushed up into the trailer body, with a very low floor. Since the floor level is below the level of a normal tractor fifth-wheel, the trailers carry a special hinged hitch mounted on the front wall. In addition, each trailer has four flanged wheels—two bolted outside the road axle and two toward the front—which in effect make it a rail car when on the carrying flat car.

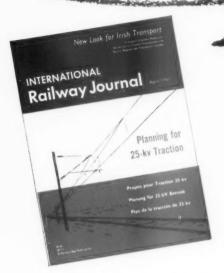
The other system shown was the "Kangourou." developed by Société Lorraine. Like the UFR, the Kangourou is an end-loading car. It is longer than the usual four-wheeler found in Europe, and has in effect a hollow box for a frame, with side sills only between the axles. Between the side sills is a

ramp so arranged that it can be lowered at either end or maintained at normal floor level throughout. The car has two guide rails of welded steel tubing which fit between the paired rear wheels of the trailer and tractor and also engage a special doubleflanged wheel bolted to the outside of the tractor's front axle. Special "floating" sections of a fabricated loading ramp permit exact centering of dual trailer wheels and the flanged tractor wheel on the car rails.

The trailer itself is of normal French design with minor modifications, notably a special kingpin ball and spacer disks between the dual wheels. The tractor is also fairly ordinary in appearance; aside from the flanged guide wheels in the forward axle, its main feature is a hydraulically-operated retractable fifth wheel controlled entirely by the driver from within the cab.

In loading, the required number of empty rail cars are spotted end-on to (Continued on page 24)

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the ramp with floors in normal position and with steel bridge-plates dropped between cars. The car farthest from the ramp then has its movable floor section lowered at the end away from the loading ramp. The driver backs his trailer along the guide rails until the last car is reached; on reaching the movable floor section, the trailer bogie rolls down until the road wheels are only a minimum distance above the railhead.

Still working from the cab, the driver puts the retractable fifth wheel into operation, lifts the trailer off the back of the tractor, lowers it until the trailer underframe rests at about rail-car floor level, and uncouples. The resulting clearance is substantially the same as if the trailer body had been removed from its bogie and laid flat on the floor of a conventional flat car.

Subsequent trailers are loaded in the same fashion, the movable floor of each rail car being dropped in turn to form the pocket that gives the Kangourou system its name. Unloading is simply a reversal of the loading procedure.

Of the two systems, the Kangourou attracted most attention at the fair, and appears to be favored by the

Netherlands Railways (Nederlandsche Spoorwegen) and the Dutch road trucking industry. Chief reasons cited by visitors and railwaymen were the reduced payload of the UFR trailer occasioned by its small size and the sunken wheel wells; its need for specially-designed trailers; and the unloading and loading process, which requires either that the driver leave his cab or that a second man be available to handle the folding hitch.

Truckers in particular favor the Kangourou because of the low cost of fitting trailers for the service. The added cost of the necessary modifications amounts to just under \$200 per trailer, and would be somewhat lower if incorporated during construction.

The importance of the truckers' opinion can be better understood when railway personnel explain that the system of rates for piggyback-if and when it is introduced-will resemble in a rough way the U.S. Plan I approach. The trucker will make the sale, load the trailer, pick it up and deliver it, with the railway selling its service to the trucker. Here the similarity ends, however, thanks to the Dutch approach to rates. If the U.S. is far ahead of Europe in the technology (and fortunate clearances) of piggyback, it is far behind in the matter of making competitive rates.

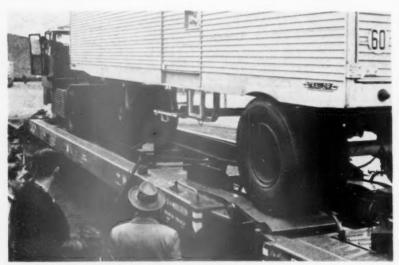
The competitive situation of rail systems in Europe, and particularly in The Netherlands, is not only similar to that of U.S. lines with regard to freight traffic; it is in many respects

In Holland, for example, (as in most of northern Europe), the biggest competition lies in the field of bulk freight -coal, minerals, oils, and so on. Oil moves largely by pipeline, and will do so more in the future. Other commodities move largely by inland water transport. The result is to leave to the railways that group of commodities most susceptible to highway competition: package freight, perishables and manufactured goods. As a case in point, while the overall freight traffic of The Netherlands has grown 60% in the past few years, railway freight traffic has grown only about 1%. Most of the differential is accounted for by trucks.

The truckers' reaction to piggyback becomes doubly important in view of the particularly favored position the trucking industry enjoys in the country. There are few large truckers in the U.S. sense. Trucking remains largely an individual or family business in Holland—and the government is strong for individual and family business. As (Continued on page 25)



FOR RAIL MOVEMENT, trailers are lowered between side-sills of Kangourou cars to meet restricted vertical clearances.



VERTICAL GIRDER PLATES on Kangourou cars engage flanged metal discs between paired wheels on trailer and tractor axles.

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SEE HOW IT WORKS ON THE L&N!

Fold and set up this demonstration page as indicated. To best simulate actual conditions, darken the room. Then shine a flashlight at the miniature L&N hopper car, which is marked with "Codit" Reflective Liquid. Important: hold the flashlight close to your head at EYE LEVEL—because "Codit" Reflective Liquid returns light directly back to its source.



MAIL THIS CARD TODAY FOR COMPLETE INFORMATION

Without obligating me in any way, please have a 3M Representative call with complete information on "Codit" Reflective Liquid for freight car markings.

Name	
Title	
Railroad	

State

Zone

Address

TONIGHT AND EVERY NIGHT



L & N

DIXIE LINE 500 SOO LINE 48478

LINE

M P

more and more cars are showing up at crossings . . .

M P



Rock Island 3555

MILWAUKEE ROAD

promoting and protecting their good names and services

AILWAUKEE



500 SOO LINE 48478

First Class

LINE

C N W 24563 NORTH WEST

with the amazing brilliance of "CODIT" Reflective Liquid!

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MINNESOTA MINING AND MANUFACTURING COMPANY

REFLECTIVE LIQUID

... WHERE RESEARCH IS THE KEY TO TOMORROW



ST. PAUL 6, MINNESOTA

THE TERM "CODIT" IS A REGISTERED TRADEMARK OF THE 3M COMPANY

a result, truckers enjoy a freedom of rates and services that would turn a U.S. trucker green with envy. And, as in the U.S., private trucking is growing in importance.

With this in mind, the NS position is that piggyback will succeed only if rates offered by the railway are below the truckers' own road-haul costs-and at the same time sufficient to cover the railways' own costs. Unlike U.S. lines, the NS is free to offer competitive rates. U.S. railway officers have often cited the use of agreed charges in Canada, but the NS enjoys an advantage even over Canada in this respect; agreed and contract rates are private information and not a matter of public record. The result is to prevent truckers-subject to little control-from offering "loss leader" or "bait" rates, since unless the information is voluntarily divulged by the shipper, the trucker doesn't know what sort of rate he's competing against.

The advantage of a privately-negotiated rate will, presumably, accrue to the trucker who uses piggyback as well.

Diversification - long a byword among U.S. railwaymen appearing before the public or before Congressional committees-is an accomplished fact in Holland. The largest (probably the only really large) trucker is Van Gend & Loos, owned lock, stock and barrel by the NS. But while the NS owns VG&L, and works closely with it, the trucking firm is-in the words of one NS man-"a daughter who has grown up and will have her own way." Thus, VG&L will enjoy no special advantage over any other trucker, except insofar as its size will enable it to take advantage of volume rates.

If and when piggyback becomes a reality in Holland, rates will probably follow the French pattern, which provides a strong incentive for steady use of the service, and consequently for maximum equipment utilization. Under the French pattern, for instance, if a trucker sends one trailer per day by rail-not on the average, but one trailer on each of a week's five working days-he can earn a discount up to 40%, brought about by the fact that each rail car involved makes a paying trip daily, compared to the one profitable trip made weekly by the "classic" European freight car.

(One feature of French piggyback rates should interest U.S. transport economists. While the Kangourou rate is based on total weight—dead weight of the trailer plus weight of lading if the trailer is loaded—the UFR rate provides incentives for two-way utilization of rail equipment. If a trucker

sends a trailer from—as an example— Paris to Bordeaux, the rate he pays for the journey incorporates the estimated costs of trailer back to the point of origin. For handling the return journey he pays only a small administrative charge, currently about \$1.50—whether the trailer is empty or loaded.)

With the French influence running strong in Dutch piggyback thinking, it is not surprising that the initial service being considered would be from Rotterdam to Paris. A good portion of Rotterdam's sizeable international truck traffic is to France, and NS personnel feel that if they can develop a traffic of even five piggyback cars each way daily they will have cut significantly into their trucking competition.

Here again, however, one encounters the particularly European conditions that hamper piggyback development. Perishables-an important element in the total Rotterdam-Paris truck traffic -would be excluded from the initial service. The reason might startle most U.S. operating men: Road-haul perishables now leave Rotterdam a little after noon to reach the markets of Les Halles (Paris) around midnight. To provide a comparable service, railways would have to put piggyback cars through Brussels or another major population center at the height of the evening rush hour-and passenger traffic is so heavy that it just can't be done.

NS Officers Not Convinced

For all the interest generated by the Utrecht demonstration, piggyback is far from established in Holland. Top NS officers are not convinced, and part of the reason lies in the most important (aside from clearance restrictions) unanswered question in the European piggvback picture: what system to use? At present both the French National and German Federal Railways offer piggyback service-but the French UFR and Kangourou are not compatible with Germany's "Huckepack." For a small nation like The Netherlands the question becomes completely vital: Distances in Holland are, for the most part, uneconomic for piggyback under present conditions and its adoption would depend largely on international traffic. Apparently convinced of the technical advantages of the Kangourou system, the piggyback advocates in the NS nonetheless must live with the fact that Holland's biggest potential for piggyback appears to be, not with France, but with Germany. NS people are skeptical about Huckepack-which requires either a

small trailer as in the UFR system (and is for the same reasons unfavorably regarded by the Dutch trucking industry) or a trailer body which travels without its road wheels, and which is again unpalatable to the trucking industry, as it requires specially-designed equipment. And German railwaymen, in their turn, have shown no desire to adopt the Kangourou car.

The problem is further complicated to some degree by permissible axle loads for road vehicles. Existing French trailers and tractors are designed for a maximum load of 13 metric tons on a single axle and 21 tons on tandem wheels; Dutch standards, on the other hand, call for eight and 16 tons, respectively. Anticipating the problem, however, NS researchers have developed a trailer design adapted both to the Kangourou and to Dutch weight limits-with a reserve design in store if Holland adopts the French-German compromise proposal, which permits eight tons on a single axle but 10 tons on the driven axle of the tractor.

What are piggyback's realistic prospects in Holland?

Truckers appear to be strongly interested, on the basis of the Utrecht demonstrations, and lean heavily toward the Kangourou system. There is a strong element in the NS advocating piggyback as a means of meeting road competition, and that faction as well leans toward Kangourou as compared with other systems.

The obstacles are also considerable; with the emphasis placed on international piggyback traffic, the NS is to a degree caught between two incompatible systems—one of which it appears to favor technically and economically and the other of which is used in the country where the greatest traffic potential lies.

There is also a certain amount of ingrained resistance to having anything to do with the truckers. A third problem, and a serious one, is that of the passenger traffic which occupies the main lines almost exclusively throughout 75% of the day; NS has passenger service every half hour from 6:00 a.m. to midnight between all major cities in the country, and hourly service between every station. With passenger traffic accounting for approximately 60% of operating revenue, the passenger service cannot be lightly tampered with.

Piggyback in passenger trains, to offer a more flexible timetable? Not likely. In addition to the opposition of the passenger men, a technical problem is posed by the fact that most

(Continued on page 37)

Made with REYNOLDS ALUMINUM! 100 Ton Payload Hopper and Gondola Cars

Aluminum Reduces Car Deadweight, Cuts Maintenance, Increases Profit in Hopper and Gondola Cars

More than 1,200 hopper and gondola cars with bodies of Reynolds Aluminum are now in service on American tracks. These cars, built by Pullman-Standard Car Mfg. Co. and Magor Car Corp., carry at least 5 tons more revenue-producing freight than comparable steel cars! And, depending on the cargo, this payload gain could be as much as 10 tons per car. Aluminum is the key to this bonus. These cars weigh less, so they can carry more within rail weight limits. And they earn much more revenue every trip.

Now Possible -101 Ton Payload Cars

In fact, aluminum now makes it possible to build a 101 ton payload gondola car for coal service. It is the only practical material that's strong enough, rigid enough—and light enough—to give the car designer a "box" that will carry over 101 tons of payload within the total weight limit of 251,000 lbs.

Aluminum's weight-savings can work in two ways: You can have an aluminum car that is the same size as a steel car—but with less deadweight and increased operating economies. Or, you can build a bigger aluminum car which weighs the same as a smaller steel car—with greater payload and increased car revenue.

Major Savings in Maintenance

Aluminum cars pay off in service, too. Because aluminum resists corrosion and will not rust, aluminum car side sheets can be expected to serve longer with less maintenance.

The aluminum cars never need painting for protection, and they are easy to maintain and clean, even when handling such corrosive materials as salt, coal, cement, and many other bulk cargo commodities.

The new aluminum hopper and gondola cars cost somewhat more initially when the price of the basic metal is considered alone. However, the owners can expect them to earn that difference back—in higher payloads—in just a few years. Maintenance savings are just that much more bonus.

There's a benefit waiting at the end of the aluminum cars' long life, as well: The aluminum scrap can return an important slice of the original cost to the owner.

What Made Breakthrough Possible

The aluminum hopper and gondola cars were not born overnight. It took many years of intensive development work by Reynolds engineers and railroad teams—and long experience in producing aluminum for railroad service. Now, thanks to this effort, the railroad industry can look forward to greater car earnings, and important sayings in rolling stock service.

Here's why:

- Aluminum plate is available from Reynolds in a wide range of proper sizes for car construction.
- Welding techniques have been developed to cut car construction costs with aluminum.
- 3. Reynolds Aluminum alloys offer resistance to corrosion by coal, chemicals, food products, and many other commodities.
- Reynolds Aluminum railroad car stock prices make the economic advantages of aluminum greater than ever.

Write today for details on the aluminum hopper and gondola cars—or on how aluminum can cut maintenance and operating costs on a wide range of rail equipment. Contact your local Reynolds office, or write Reynolds Metals Company, P.O. Box 2346TM, Richmond 18, Virginia.



REVENUES AND EXPENSES OF RAILWAYS

(Dollar figures are stated in thousands: i.e., with last three digits omitted)
MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1961

												B										
Name of Road		Average mileage operated during period	Freigh	Operatin t Pass.	Total (it	nc. misc. 1960	Maint. Total	a las	Struct eprec and letire- nents	Total	Total	rnen rec id ire- ate	Traffic	Trans-		Total 1960	Operating ratio		Net from rallway operation	Railwaj taz accruala	Net ope	Net Rallway operating income 961 1960
Akron, Canton & Youngstown Alabama, Tennessee & Northern Atchison, Topeka & Santa Fe	March 3 mos. March 3 mos. March 3 mos.	171 171 214 214 12,996 13,010	428 1,188 194 641 44,517	2,776	433 1,214 199 652 52,347 139,796	528 1.514 257 808 55.20	54 149 49 147 5,838 67,001	61 55 160 160 7,440 2,	16 17 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	79 226 23 51 51 0,758 32	245 245 1.3 3.5 2.108 7.	49 49 45 45 45 45 45 45 45 45 45 45 45 45 45	126 126 14 14 201 505 105 105	146 434 78 223 8,697 2,660	366 1,069 160 448 38,514 10,732	409 1,166 177 481 41,247 116,383	88.5 88.1 88.3 68.6 77.3.6		67 144 33 29,864 29,864	43 106 2 38 8,093 18,224	11 12 17 8,799	41 113 5,149 11,059
Atlanta & St. Andrews Bay. Atlanta & West Point Western of Alabama	March 3 mos. March 3 mos. March 3 mos.	81 83 93 133 133	304 855 216 564 275 809	25.5 2.75 2.75	316 878 878 889 839 963	302 045 328 935 1,036	32 30 30 34 34	100 51 53 152 152	32.55.98	30 342 342 161	28 82 51 154 189	245.00 24	52525 5255 5255 5255 5255 5255 5255 52	218 218 365 365 406	243 245 727 271 818	174 275 275 795 383	885.2 885.2 882.3	557.5 584.0 885.0 885.0	385 385 40 132 145	171 171 171 171 171 171 171 171 171 171	36 36 36 36 36	36 131 14 13 26
Atlantic Coast Line Baltimore & Ohio Staten Island Rapid Transit	March 3 mos. March 3 mos. March 3 mos.	5,570 5,910 5,910 2,910	12,415 34,329 56,832 66,692 472	1.713 5.862 1.175 3,623 288	15,384 42,729 26,905 77,239 79,293	15,452 44,244 33,896 99,533 770	1,752 4,959 6,947 170	2,211 3,962 0,797 1,80	154 509 410 341 35	2,647 5,364 5,398 7 5,192 136	2,654 7,508 7,154 1,54 1,54 1,46	688 082 1.013 2.013	541 593 383 6	5,714 1 16,437 3 13,094 2 38,748 7 479	11,521 24,906 71,16 391 889	34.684 29.307 84.434 8888 1	74.9 77.4 92.3 11.4	777.8 86.5 221.2 15.2	3,863 9,653 1,599 5,923	1,950 4,750 2,241 6,545 156	1,303 2,882 2,888 8,712 328	1,464 3,143 98 1,792 123 322
Bangor & Aroostook Bessemer & Lake Eric Boston & Maine	March 3 mos. March 3 mos. March 3 mos.	595 595 203 203 1,554	1,636 4,167 1,203 2,312 5,093	16 55 448 1,375	1,715 4,374 1,257 2,449 5,976	1,874 4,888 1,820 4,948 6,572 18,098	343 975 1 401 522 1,934 2	489 255 228 657 742 073	100 102 140 17 2	310 865 645 780 2,390 2,390	318 857 679 781 904	329 329 303 236 711	38888888888888888888888888888888888888	1,285 370 986 2,493 7,729	3,260 3,490 1,270 3,733 4,213 3,300	1,404 3,802 1,569 1,569 1,840 3,973	3.5 79.8 79.8 70.5 81.6	775.8 886.2 773.6 77.2	455 884 1.284 1.7 3 2.998	234 829 829 254 254 284 1.284	213 533 281 249 581 613	387 802 243 613 624 1,039
CPR Line in Maine Carolina & Northwestern Central of Georgia	March 3 mos. March 3 mos. March 3 mos.	234 234 284 284 1,745	3.247 3.247 2.233 706 3.321 9,161	34 111 137 396	1,385 3,433 237 718 3,715 10,175	3,431 2843 2843 842 3,746 10,784	107 301 34 103 512 1,514 1.	96 279 33 616 726	20 61 83 54 140 1.	150 42: 33: 97 570 .744 2.	133 288 28 82 780	18 53 21 63 145 145 15	18 52 15 170 170	233 654 77 219 1,533 4,409 8	536 1527 163 473 2,983 8,802	1,580 4,580 4,480 3,280 8,442	2448 2448 2448 2448 2448 2448 2448 2448	443.1 446.1 557.1 87.6	849 1,906 246 7,32 1,373	35 103 14 79 262 784	703 1,478 8 69 395 416	1,416 175 175 49
Central of New Jersey Central Vermont Chesapeake & Ohlo	March 3 mos. March 3 mos. March 3 mos.	592 592 375 375 5,091	3,217 9,205 660 1,881 21,371 64,571		4,168 11,864 786 2,255 22,902 68,981	4,572 12,987 2,378 29,922 85,135	448 151 151 455 2,990 8,000	527 501 383 383 380 14	Ci 10:10	720 071 2, 115 329 257 5, 249 15,	764 129 356 439 1.9	463 2 463 2 27 8 819 2.5	80 230 21 57 845 264 26	2,278 6,683 341 10,136 29,584 60,	730 662 998 998 564	3,908 11,303 648 1,904 822,257 64,724 8	89.93.5 89.45.2 87.85.	885.5 887.0 884.0 74.4	438 771 124 355 8,417	509 1,482 156 499 2,873	527 2,191 107 107 1,686	211 865 31 4,190 1,554
Chicago & Eastern Illinois Chicago & Illinois Midland Chicago & North Western	March 3 mos. March 3 mos. March 3 mos.	862 862 121 121 10,744	2,372 6,616 705 1,829 14,552	143 447 1,223 3,884	2,876 7,894 720 1,875 16,698 48,471	3,052 8,506 717 1,980 18,170 53,301	312 936 35 104 7,800 8	369 365 39 102 202 399	29 1 92 1 22 436 3	.540 1524 144 3966 3286 9.326	529 575 98 312 3697 358 3,	535 24 24 73 476 2.6	396 396 91 91 014 2	3,447 167 7,579 22,019	6,540 6,540 1,212 15,357 44,472	2.425 7.168 876 1.104 16.385 47.175	8.94.907	250000 250000 250000 2500000	1,054 292 3,992 3,999	235 709 141 341 4.211	58 228 127 262 932 1,766	264 328 141 367 1,527
Chicago, Burlington & Quincy Chicago Great Western. Chic., Mil., St. Paul & Pac	March 3 mos. March 3 mos. March 3 mos.	8,648 8,648 1,469 1,469 10,562	17,646 48,944 2,335 6,674 15,122 42,551	1,530 4,388 21 977 2,984	21.407 59.629 2.542 7.269 18.075	21,456 59,175 2,800 8,839 19,026 54,855	2,406 7,428 324 895 7,3564 7,350	562 326 922 689	370 3 643 10 44 129 1 554 3	3,486 4, 9,677 11, 452 1, 1,236 1, 3,172 3, 9,205 10,	056 747 213 213 214 206 2.6	885 135 135 199 189 155 156	6660 1244 365 507 2120 2120 2120 2120 2120 2120 2120 21	24,499 47, 998 1, 7,440 14, 21,507 43,	997 782 983 956 351	16,783 7 49,281 8 1,948 7 15,903 8 16,858 8	7.08.7.6 7.80.0.0	883.3 883.6 85.6 85.4	5.411 559 1.784 3,119	3,034 6,965 219 632 1,641	971 769 119 341 272	3,842 3,556 716 522 675
Chicago, Rock Island & Pacific Clinchfield Colorado & Southern	March 3 mos. March 3 mos. March 3 mos.	7,850 7,849 293 293 712	14,746 1,263 1,658 4,647 989 2,789	3,867 3,867 37 150	17,819 50,108 1,670 4,975 1,198 3,376	18,439 1,754 5,139 1,339 3,818	5,158 5,544 5,25 4,88 4,88 6,15 6,15 6,15 6,15 6,15 6,15 6,15 6,15	1179 1179 1179 1165 1165 1165	261 22 22 67 27 81	976 2, 439 8, 311 1, 224 1,	950 348 348 252 535	630 940 102 316 243	203 203 105	7,264 6,883 647 1,313 3,33 1,584 3,33 1,584	8,893 1,057 1,063 1,101 1,063	3,400 6 3,400 6 3,600 6 3,600 6	778.5 564.1 664.1 667.3 67.3 67.3 7	777.6	3,927 10,797 1,873 135 265	692 6,438 599 599 198	908 130 493 47 82	898 2,162 553 1,515 286
Ft. Worth & Denver Colorado & Wyoming Delaware & Hudson	March 3 mos. March 3 mos. March 3 mos.	1.039 1.039 39 39 763	1,628 4,800 184 390 3,280 9,901	108 324 139 380	1.964 5.767 289 686 3.523 10.581	1,995 6,092 425 1,311 4,215 11,976	224 643 17 47 354 1,131	223 640 19 59 373 144	~	247 827 32 93 764 .084 2.1	221 679 11 92 933 1855 8	46 137 2 38 195 195 36	210 2 2 3 6 4 306	821 110 285 285 388 167 8	482 479 808 473	4,386 79 4,386 79 2311 61 686 69 3,158 79 9,258 80	3 22 22 22 22 22 22 22 22 22 22 22 22 22	2000 W	482 1.158 2.07 7.14 2.107	266 266 143 373	151 86 41 60 178 562	386 386 234 692 1,701
Denver & Rio Grande Western. Detroit & Toledo Shore Line Detroit, Toledo & Ironton	March 3 mos. March 3 mos. March 3 mos.	2,128 2,128 50 50 465 465	6,020 16,046 478 1,524 1,280 3,877	211	6,428 17,201 514 1,635 4,000	6,919 19,327 705 2,046 1,992 6,081	699 ,543 149 203 516	8725 872 872 104 171 780	290 2. 4 11 25 75 1.	812 2, 812 2, 199 346 028	939 1.0 85 1.0 482 1	338 24 73 73 466	23.0 7714 5 7714 5 6.0 6.0 176 1		4,237 1,675 1,075 3,418	4,378 65 12,546 67 1,268 65 1,448 88, 4,183 85,	40 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	554000 554000	2,191 146 159 159 582	2567 239 118 354	931 17 17 107 93 420	.078 .882 47 130 361 428
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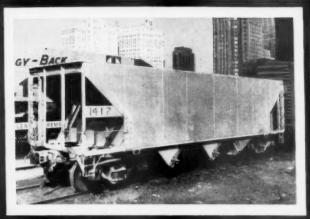
REVENUES AND EXPENSES OF RAILWAYS

(Dollar Agures are stated in thousands: i.e., with last three digits omitted) MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1961

Fig. Decide East Coast Name of Road Name of	MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1961	
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n March 2,746 17,572 189 18,165 21,675 1,787 2,369 373 2,932 3,522 1,495 385 3 mos. 2,747 52,635 571 55,899 62,645 6,901 1,52 16 169 1,37 469 1,152 1 March 593 2,790 799 699 182 157 16 169 1,21 40 48 3 mos. 593 2,262 2,268 2,169 491 477 46 388 387 1,20 148	3.683 11,225 12,160 1,518 1,472 283 2,198 2,029 523 10,598 30,717 34,854 4,691 811 6,352 8,567 1,572 8 14 16 16 16 17 17 17 17 17 17 17 17 17 17 17 17 17	2,627 -1,451 -1,291 2,620 -7,693 -3,688 99 139 16 103 30 -34 -24 93 -108 -87
	189	3,457 4,663 5,582 11,369 13,241 15,747 54 69 23 163 35



In 1949—The First Aluminum Boxcar. The first aluminum boxcar, with all-aluminum body and centre sill of riveted construction, was produced in 1949. This car has a light weight of 34,000 lbs., 12,000 lbs. less than standard steel cars. No maintenance has been required in continued service.



In 1955—The First Welded Aluminum Open Hopper Car. This car has a light weight of 36,600 lbs. and a capacity of 173,400 lbs. In addition to being the first welded aluminum open hopper car, it was the first time machine-welded aluminum construction was adopted in car shops.



In 1956—A.A.R.-Type Welded Aluminum Centre Sill Proved. Impact testing proved that this sill exceeds published A.A.R. design requirements. Tests were conducted on a 50-ton aluminum-covered hopper car built in 1956 with a light weight of only 32,500 lbs. . . . capacity 8½ tons more than similer steel cars.



In 1958—The First All-Aluminum Refrigerator Car. The first refrigerator car to be built with aluminum throughout, including brine tanks, underframe, inner and outer shell, roof, and corrugated ends. Light weight is 49,000 lbs.

ANOTHER FIRST FROM ALUMINIUM LIMITED

THE ALCAN ALUMINUM

Latest in a series of developments in railroad equipment

For many years Aluminium Limited has pioneered the research and development of cost-saving, lightweight railroad equipment. This continuing program has now produced another first, the

ALCAN ALUMINUM TANK-HOPPER CAR

This car, now undergoing final service tests on prominent railroads, weighs 20% less than a comparable steel car, carries 10-15 tons more payload, features faster unloading and minimum maintenance.

In early development models, aluminum was merely substituted for steel. With experience, and the advent of new alloys and improved welding techniques, designs were originated to take full advantage of the metal's many unique qualities. Today, entire structures like this tankhopper car are built of Alcan aluminum.

To prove the soundness of such structures and to gain a better knowledge of the stresses involved, the most extensive static, load, fatigue and impact tests ever to be carried out on aluminum were originated by Aluminium Limited.

Now this light, enduring metal is specified for boxcar



TANK-HOPPER CAR!

and refrigerator car roofs, the inside framework and lining of refrigerator cars, brine tanks, hopper cars, gondola cars, hatch covers, piggyback trailer apron plates, and passenger cars. Cost records prove that Alcan aluminum can save money in the long run.

The light weight of aluminum means that fewer cars are required to transport a given cargo or that more cargo can be handled by the same car. Aluminum's excellent resistance to weather and corrosive cargoes means that annual maintenance costs can be lowered appreciably.

Thus aluminum and Aluminium Limited and the information gained from these practical applications are making a significant contribution to improved railroad productivity at competitive cost.

For further information on this car, or on other aluminum applications in the railroad field, write or telephone the New York Office of North America's leading developer of aluminum construction in railroad cars.

Aluminium Limited



REVENUES AND EXPENSES OF RAILWAYS

(Dallar figures are stated in thousands; i.e., with last three digits omitted)
MONTH OF MARCH AND THREE MONTHS OF CALENDAR YEAR 1961

		Average	54				Maint.	Way and	d Structe	ures M	aint. Eq	ulpment	nace .			-						
Name of Road		operated	1	Operation	Total (inc	c. misc.)	Total	Total	Deprec and Retire-	Total	Total	Deprec. and Retire-		Trans.	Total	Total	50.00		from	Rallway	Net R	Net Railway operating Income
Northern Pacific Northwestern Pacific Pacific Electric	March 3 mos. March 3 mos. March 3 mos.				13.484 37,083 937 2,338 1,319 3,427	3900 14,901 40,848 1,090 2,900 1,239 3,232	1,956 5,374 166 444 1,157 475	2,0881 5,558 179 179 8183 828	444 1,032 23 23 70	1961 2,835 8,215 44 148 59	2,983 8,750 216 32 4 93	2,547 2,547 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	Traffic 415 1,198 19 19 62	5,913 16,886 1723 1,723 532 1,496	12,063 34,659 503 1,422 874 2,482	12,597 36,234 600 1,863 2,462		84.5 84.5 88.7 85.1 64.3 76.2	1.421 2.425 4.425 916 945 945	1,352 4,083 4,083 147 277 147 433	1961 414 921 92 92	927 840 23 32 31 31
Pennsylvania Penn, Reading S. S. Lines Piedmont & Northern	March 3 mos. March 3 mos. March 3 mos.	9,865 9,865 338 126	47,843 135,347 1,295 1,395 1,327	8,717 27,605 46 142	65,741 187,692 1,491 1,362	77,926 529,266 1,884 477 1,489	6,339 19,830 151 466 50 138	7,916 22,651 183 525 47 136	4.475 4.458 27 79 155	12,672 37,652 120 353 37 107	15,845 45,916 136 376 41	3,032 9,121 77 10 29	1,094 3,377 17 33 99	32,091 93,932 481 1,391 180 287	56,420 167,655 2,447 2,64 757	64,830 190,038 874 2,527 259 750	85.8 89.4 148.6 164.2 55.6	83.2 82.9 134.8 54.2 50.4	9,321 19,947 270 957 164 605	5,825 17,308 72 215 82 302	13,437 13,437 496 1,601 142	1,282 3,591 474 1,391 206
Pittsburgh & West Virginia Quanah, Acme & Pacific Reading	March 3 mos. March 3 mos. March 3 mos.	132 132 120 120 1,296 1,296	1,368 274 7,030 19,298	1,659	375 276 756 1 8,835 23,843	2,371 293 816 9,980 28,884	298 298 24 58 1,117 3,585	153 445 17 47 47 3,421	755 755 5958 5958	129 381 19 44 1,828 5,174	154 453 14 38 1,850 5,630	44 133 1,397	853 167 187 522	191 551 57 157 3,993	8,527 135 396 7,660 22,632	1,952 1,952 374 7,903 23,534	95.4 48.9 52.5 91.9 98.2	83.0 82.4 45.8 79.2 81.5	. 25 - 202 141 359 675 410	120 120 113 602 2,602	38 346 130 130 444 3,857	100 231 64 172 706 1,834
Richmond, Fred, & Potomac. Rutland St. Louis-San Francisco.	March 3 mos. 3 mos. March 3 mos.	118 118 391 4,546 4,546	3,629 3,629 315 922 8,688 24,173	1,387	2,188 6,852 342 997 9,626 26,804	2,243 6,469 374 1,078 10,817 29,606	173 479 479 1213 1,326 3,769	176 509 74 224 1.463 4.493	29 1 36 1 75 537	293 892 61 1,563 4,545	260 857 62 1,611 4,836	67 18 18 55 699 1,839	29 84 25 71 375 1,060	2,178 1,23 373 4,901 11,216	1,419 4,136 304 910 7,888 22,363	1,275 4,015 348 1,021 8,035 24,128	64.9 68.3 91.3 83.4	56.8 62.1 94.7 74.3 81.5	769 1,916 38 87 1,737 4,442	433 1,137 26 78 78 791 1,751	205 408 8 4 4 2,079	329 771 35 2,753
St. Louis-S. F. & Texas. St. Louis Southwestern Lines. Sayannah & Atlanta	March 3 mos. March 3 mos. March 3 mos.	143 1,554 1,554 1,44 144	398 1,228 5,781 15,403 992		421 1,285 15,612 1,034	468 1,423 5,921 17,095 360 1,011	49 166 1544 1.607 186	23 90 1,708 149	256	20 70 1,941 205	26 1723 2,047 198	226 669 119 58	22 866 177 555 50 50 50	127 432 5,315 355	3,422 9,962 3,055 838	231 725 3,499 10,202 270 769	54.9 60.1 58.5 63.8 81.0	49.3 51.0 59.1 75.0 76.0	2,432 5,650 86 196	1,164 2,624 50 113	43 123 983 2,270 30 60	2,984 2,984 104
Seaboard Air Line Soo Line Southern Railway	March 3 mos. March 3 mos. March 3 mos.	4,135 4,716 4,716 6,267 6,267	11,328 32,222 6,210 16,823 19,252 54,276	1,342 4,011 43 129 696 2,487	14,013 39,759 6,605 17,886 21,842 61,785	14,454 41,830 6,628 18,039 23,609 67,203	1,853 5,257 2,195 2,761 8,103	5,257 5,257 2,736 2,896 8,213	204 661 126 341 393 1,216	2,525 7,688 3,434 3,958 1,413	2,497 7,717 3,455 3,957 1,435	2,273 281 836 1,044 3,130	220 220 687 539 1,688	5,141 14,717 2,715 7,892 6,973 20,763	10,769 31,266 5,187 15,430 15,593 45,819	31,629 31,445 5,576 15,891 46,525	76.8 78.5 86.3 74.2	73.5 775.2 84.1 69.3 69.3	3,244 8,493 1,419 6,248 15,966	1,553 4,031 473 1,445 2,738 6,449	1,269 3,294 894 2,85 6,392	4,845 3,841 3,355 8,995
Alabama Great Southern. Cinn., N. O. & Tex. Pac. Georgia Southern & Florida.	March 3 mos. March 3 mos. March 3 mos.	327 327 337 397 397	1,030 2,990 2,414 6,965 3,699 1,695	39 123 201 201 29	1,238 3,562 2,731 7,889 2,649	4,387 3,438 9,673 9,573 2,795	258 754 649 126 378	283 819 619 1,785 547	32223334	329 898 724 2,272 68	382 976 825 2,313 225	84 251 271 812 32	130 130 258 21 56	478 1,435 2,468 236 726	1,523 3,546 2,482 7,443 1,553	1,331 3,749 2,659 7,694 1,781	98.8 99.5 94.3 73.9	95.9 89.4 77.4 79.5 75.6	15 249 446 182 495	294 254 777 35 106	130 130 130 122 34	382 341 526 1,399 -28
New Orleans & Northeastern Southern Pacific Texas & New Orleans	March 3 mos. March 3 mos. March 3 mos.	203 7,953 7,953 4,099 4,099	2,290 40,091 108,838 10,296 28,189	34 104 2,038 5,894 777	2,628 44,629 121,989 11,260 30,849	2,459 48,556 133,488 11,881	232 581 4,928 1,601 4,552	5,289 5,222 5,339 5,339	24 74 1,398 2 167 448	219 681 27,167 1,759 5,642	214 631 10,343 29,386 1,703 5,032	102 306 306 7,853 7,853 565	29 84 733 2,206 249 779	266 780 16,518 66,974 4,174 11,952	828 33,972 96,929 8,385 24,147	2,282 35,307 102,313 8,574 25,193	92.8 79.5 78.5 78.5	72.7 72.7 72.7 75.7 75.6	265 10,657 25,860 2,875 6,702	86 265 5,993 14,036 1,019 2,147	4,676 10,841 490 594	96 70 14,627 706 1,334
Spokane International Spokane, Portland & Seattle Tennessee Central	March 3 mos. March 3 mos. March 3 mos.	150 150 936 936 284 284	346 797 2,240 6,464 929	215	354 822 7,225 7,225 1,019	346 815 7,798 7,798 1,010	139 443 1,288 134	139 449 189 140	122 169 155 155	21 65 464 1,304 193	36 899 899 852 852	29 28 387 21 64	4228	2,987 2,987 378	2,137 6,090 819	2,172 6,247 6,247 787	884.3 864.3 864.3	53.0 57.4 57.4 80.1 771.6	187 378 354 1,136 200	128 245 792 77	151758	11.2 398 322 32 32 16
Texas & Pacific Texas Mexican Toledo, Peoria & Western	March 3 mos. March 3 mos. March 3 mos.	1,828 1,828 161 161 239 239	4,916 13,763 268 654 557 1,564	812	5.949 16.604 305 747 576 1.624	6,620 18,819 300 783 671 1,905	516 1.573 1.573 1.58 1.59 1.64	789 152 152 226	2888 6 18 27	2,892 3,66 107 56 159	1,106 3,250 37 103 155	302 906 122 37 40	229 675 675 38 48 148	2,486 7,171 81 241 175 563	4,576 13,465 200 602 378 1,090	5,113 202 602 412 1,185	76.9 881.1 65.6 67.1	777 79.3 661.5 62.3 79.3	1,373 3,140 105 146 197 534	51 994 76 225	429 663 26 113	888 22 22 198 198 198 198
Union Pacific Wabaah Ann Arbor	March 3 mos. March 3 mos. March 3 mos.	2,423	37.105 98.674 7.777 22.675 604 1.752	5,658 5,031 878	41,835 112,128 8,967 26,190 1,761	20,018 9,758 28,285 28,285 2,144	2,288 2, 2,588 2, 1,55	022 030 912 854 183	2,413 22, 122 1, 381 3, 20	2,046 23 2,046 23 1,218 1 3,551 4	7,948 3,487 1,394 4,258 157 489	.691 .691 .486 .468 .444	.076 .333 950 23 70	13,968 40,249 4,242 12,268 300 864	29,444 85,208 7,035 20,446 1,526	30,755 96,533 7,647 22,779 1,933	70.4 776.6 778.5 778.1 86.6 9	71.6 77.4 778.4 20.5 93.6	26,921 1 26,921 1 1,932 5,744 235	8,229 9,183 6611 1,908 149	2,845 3,961 547 1,402 56	3,152 6,098 607 1,143
Western Maryland Western Pacific	March 3 mos. March 3 mos.	841 1,188 1,188	3,362 9,047 4,436 11,613	152	3,589 9,437 4,698 12,344	4,070 12,362 4,651 12,750	530 1,533 1,452 1,452	662 600 693	56 174 2 84 246 2	780 697 697 2,007 2	880 2,560 761 2,121	308 925 240 712	346 249 762	3,756 3,756 4,418	2,929 8,531 3,342 9,641	3,289 9,540 3,614 10,468	83.5 90.4 71.3 78.1 8	80.8 77.2 77.7 82.1	580 905 1,347 2,703	348 573 712 1,426	421 875 532 1,164	622 2,158 494 1,027

motor and water carriers on a 'noholds-barred' basis are so almighty squeamish about competing with one another. Even Section 15(a)(3), of course, is written so as to apply only to intermode, but not intramode, competition."

Mr. Beardsley denied that the trucking industry wants umbrella rate-making. "We never sought that protection and do not do so now," he said.

D. W. Rentzel, chairman of the National Automobile Transporters Association, said these trucking companies, which haul automobiles, have been forced to lay off about 25% of their drivers during the past year. He blamed the railroads' "cutthroat" tactics for having thrown these men out of work. He also said:

"Since the automobile manufacturers produce and ship five million or more automobiles annually, it is perhaps natural that the railroads would select this high volume traffic as the initial target for selective rate-cutting in order to achieve a virtual monopoly for such traffic."

Mr. Rentzel insisted that the truckers he represented "are not opposed to progress and we certainly would have no cause for complaint if the rail services, rates and practices were being held out to the shipping public in the form of lawful and legitimate competition." In response to questions from committee members, Mr. Rentzel admitted that the tri-level railroad car is the most efficient automobile carrier -for "long-haul" traffic. He added. however, that "destructive" rates have come to take also the short-haul business for which the truckers think their service is more economical and attractive.

The opposition of the Freight Forwarders Institute was expressed by its chairman, Morris Forgash, who is also president of the U. S. Freight Co. He had an elaborate presentation with charts, graphs and photographs in color. His general plea was that the bill be killed and that economic forces in transportation be allowed to continue uninterrupted under the present rate-making rule.

"Competition." Mr. Forgash said, "means a contest. With free play of competition somebody gets the business and somebody loses it. It is not 'destructive' simply because it shifts business from one channel to another."

The opposition presentation of the Railway Labor Executives' Association was made by its vice-chairman, Michael Fox, who is also president of the Railway Employees Department, AFL-CIO. The central question before the committee, he said, is whether

Congress should require the ICC to disallow railroad rate cuts "which are economically beneficial to shippers and the consuming public as well as the railroad, simply to keep a competing motor carrier in business or preserve its traffic from diversion to the cheaper carriage by rail."

Rejecting contentions that the bill would only "clarify" Section 15(a) (3), Mr. Fox asserted that the additional criteria "are essentially restrictions which would suppress legitimate competition." If "realistically read," S.1197 will be recognized as a repealer of Section 15(a) (3), Mr. Fox said. Why the repeal drive? Mr. Fox

Why the repeal drive? Mr. Fox asked, answering thus: "Simply because the highway and water carriers—apparently agitated, or at least vigorously supported, by a militant Teamsters' union—simply do not want a law insuring equal competitive opportunity to the different forms of transportation."

As to losses of jobs by truck drivers, Mr. Fox said railroad jobs "have disappeared far more drastically in the past five years than in any other field of transportation."

The IBT presentation in support of the bill was made by that union's legislative counsel, Sidney Zagri. He addressed himself first to allegations that the bill was "Hoffa-inspired," citing a joint statement by ATA and water-carrier interests which asserted that "the management side in both the motor carrier and water carrier industries are the primary advocates of the legislation."

As to employment, Mr. Zagri said piggybacking "has not created one additional job on the railroads." There is evidence "to the contrary," he went on, adding: "For example, 20 to 25 employees who were formerly engaged in the switching of box-car traffic at the American Motors Corp. plant in Kenosha, Wis., have been laid off due to the diversion of traffic to piggyback."

The IBT counsel urged the committee to be speedy about clearing the bill—because recent filings "indicate that the railroads are marching full steam ahead in their drive to destroy trucking competition through a systematic plan of selective rate cutting."

The hearings were well attended by members of the committee, the result, no doubt, of the load of letters. Most of those who questioned the witnesses seemed to have misgivings about the bill. On the other hand, a few asked questions which seemed to relieve their feeling that the value-of-the-commodity factor should still have an important place in transport rate making.

NOW-IT IS POSSIBLE TO STOP HOLLOW HEART DECAY



THE OSMOSE METHOD IS SURE, LONG-LASTING

Just a few years ago, decay in the interior of a pole at the ground-line area was considered a pretty hopeless case. Today, Osmose is saving many thousands of these afflicted poles with its exclusive Hollow Heart Treatment.

After boring, a specially designed Shell Thickness Indicator is used to evaluate the remaining wood strength in relation to the load. If the pole can be saved, the OSMOSE Hollow Heart treatment is applied. This consists of literally flooding cavities with a highly concentrated solution of toxic OSMOSALTS suspended in water. Decay is stopped in its tracks. Your poles remain sound for years and years more of safe, money-saving service.

Discover the full story of the OSMOSE program for groundline inspection and treatment. Write Osmose Wood Preserving Co. of America, Inc., 981 Ellicott Street, Buffalo 9, N. Y.





UNION PACIFIC RAILROAD COMPANY

(INCLUDING ITS LEASED LINES*)

SIXTY-FOURTH ANNUAL REPORT—YEAR ENDED DECEMBER 31, 1960

REPORT OF THE BOARD OF DIRECTORS ON THE YEAR'S BUSINESS

New York, N. Y., April 27, 1961

TO OUR STOCKHOLDERS:

As announced in the special letter mailed to all Stockholders of record at the beginning of this year, a major change was made in the organizational structure of the Union Pacific on January 1, 1961, by setting up three specialized Operating Divisions, each headed by a Chief Executive Officer. The objective of this move was to gain the maximum advantages from the inherent benefit accruing to the Company through the diversification of its interests and activities. The jurisdiction of the Transportation Division embraces all railroad and related activities. The Natural Resources Division is responsible for activities of the Company and its subsidiaries relating to discovery, production, processing, and marketing of oil, natural gas, and other mineral resources, including pipe line operations. The Land Division is in charge of leases, purchases, and sales of all lands not assigned to either of the other Divisions, with the primary function of promoting industrial development on the Company's lines.

Our income from transportation operations in 1960 was disappointing. It was 11 per cent less than in 1959 (which was itself an unsatisfactory year) and was in sharp contrast with the hope for an increase in volume of traffic based upon the many optimistic forecasts that had been made of a high level of general economic activity in 1960. These predictions fell far short of realization, and Union Pacific operating revenues showed a drop of \$21.6 million. This decline in gross was almost balanced by a reduction of \$19 million in operating expenses, despite further wage rate increases, a reduction in State and county taxes, and a decrease in equipment rents. However, there was an increase of \$4 million in Federal income taxes, chiefly because of a further decline in allowances, for tax purposes, in connection with amortization of defense facilities, with a corresponding decrease of \$4 million in net transportation income.

^{*} Leased Lines are: Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company, and The St. Joseph and Grand Island Railway Company.

Fortunately our net income from oil and gas operations showed a heartening increase of 14 per cent, due primarily to income derived from the new Patrick Draw oil field in Wyoming. This together with a net increase in other income resulted in a modest increase in net income from all sources. Net income per share of common stock, after allowance for preferred dividends, was \$2.73 compared with \$2.71 in 1959. Dividends declared on common stock at the rate of \$1.60 per share, the same rate as in the five preceding years, represented 59 per cent of net income after preferred dividends.

The program of investment in new equipment and improvements to other transportation property was continued during 1960 with expenditures totaling \$56.3 million. Substantial expenditures were made also for oil and gas facilities in various areas, for additional industrial property along our lines, and for investment in the capital stock (70% of total issued) and 6½% first mortgage promissory notes of the Calnev Pipe Line Company, which is constructing a pipe line for refined petroleum products between Southern California and Las Vegas, Nevada. Operation of the pipe line, which is scheduled to start around the middle of 1961, promises to be a profitable venture.

Long-term debt in the hands of the public was reduced by 29 per cent during the year, with a reduction of \$1.4 million in fixed interest charges on an annual basis. This was accomplished chiefly by the redemption of \$46 million of Oregon-Washington Railroad & Navigation Company 3% bonds which matured on October 1st, the necessary funds having been provided through proceeds from the maturity of investments in U. S. Treasury obligations which had previously been earmarked for this purpose.

Previous annual reports have outlined the difficulties of the railroad industry arising from governmental promotion and development of competing forms of transportation, and from over-taxation and over-regulation. An exhaustive transportation study under the direction of General John P. Doyle, pursuant to Senate Resolution 29, was completed in January, 1961. The report issued brings out a number of inequities to which the railroads are subject and makes some recommendations of a constructive character, particularly those having to do with relieving the railroads from unduly burdensome State and local taxation and imposing adequate charges for use by for-hire carriers of publicly provided transportation facilities. It is to be hoped that in due course legislation to carry out these recommendations will be enacted. It is important that railroad stockholders and employes should keep themselves informed on such legislative matters and let their representatives at Washington know of their interest in seeing that the railroads are accorded fair treatment and permitted to compete with other forms of transportation on an equal basis.

It is gratifying to report a constructive and hopeful development in connection with the matter of burdensome "working rules" of railroad employes. On November 1, 1960, following agreement between the railroads and employe organizations concerned, former President Eisenhower appointed a 15-man commission to study this problem, composed of five representatives each of the railroads, the unions, and the public. The commission is to issue its report and recommendations by December 1, 1961, although the date may be extended for 90 days. The commission's recommendations will not be binding on the parties, but they should be helpful and in any event the appointment of the commission represents tangible recognition of the need for revision of the working rules at issue.

(over)

Several chemical companies have been conducting extensive exploratory corehole drilling for trona in the Green River Basin, Wyoming, which has substantially increased the proved reserves of this mineral in lands where the Company owns mineral rights. The most promising area developed by this drilling is located approximately 17 miles northwest of Green River, where the Union Pacific has undertaken to pool its lands with those held by a chemical company under a joint arrangement for mining the trona and manufacturing soda ash.

New tests were conducted for the Company on several hundred tons of Iron Mountain titaniferous iron ore during the year in a plant at Niagara Falls, Canada. The cost of these tests was relatively small. The results demonstrated the technical feasibility of the process used for treatment of the ore to yield a high-grade iron product as well as titania slag of a grade suitable for utilization in the manufacture of pigments. However, the economic aspects of the process will require additional study before conclusions can be reached.

During 1960 and in the early part of 1961, a number of Western railroads came forward with proposals for mergers of various kinds. Since the Union Pacific is vitally concerned in any combination of Western railroads, the management is watching all such developments closely and has taken, and will continue to take, every appropriate step considered necessary to protect and to further the Company's interests, including the strategic acquisition of capital stock of other railroads when deemed advisable.

RAILROADING AFTER HOURS WITH JIM LYNE

MUMFORD'S GREAT BOOK—I've been reading the big, beautifully illustrated

book, "The City in History" by Lewis Mumford. The author has established himself as the nation's leading ideaman in the realm of regional development. This latest book of his tells how cities have been laid out and organized from the beginning of history down to the present—and current conditions, he clearly shows, are terrible.

The suburban sprawl around our cities today is chaotic and cancerous. People take as long to get to and from work as they did 50 years ago, and the cost is fabulously greater. Mr. Mumford is no advocate of what he calls "monotransportation" (i.e., overexpanded highways, driving more efficient transportation out of business).

Like most "liberals," the author would look more to government to cure the conditions he decries than I would—but, that question apart, there's no denying the urgency of recognizing that atrocities are being perpetrated that ought to be stopped. The country's layout is being ruined by a lot of misguided developers (especially highway builders); and Mumford is whistling for the cops.

AUTOS VIA BOATS—I have seen an AAR tabulation (from the Automobile Manufacturers Association) indicating that railroads handled 9.7% of the new-auto traffic in 1960, while the truckers got 87.2%. The remaining 3.1% went by water.

In the face of such modest figures, a teamsters' group in Michigan is complaining that the shift of tonnage from road to rail is going to put 3,000,000 trucks out of business and starve 60,000,000 people. Sounds like a slight exaggeration.

The truckers hauled more autos in 1960 than in any

year since 1955. Rail movement from 1959 to 1960 went up 42%, but movement by boat jumped 75%, or almost twice as much.

VANS POOR SPELLERS?—I heard somebody remark that the Van Sweringen brothers—who put together the Alleghany Corporation—must have been poor spellers to put an a instead of an e in the last half of Allegheny. Not so. The corporation was named for the C&O station at the top of the Allegheny ridge, between White Sulphur and Clifton Forge—and that station name is spelled with an a. (My informant is John Barriger, ambulant cyclopedia of railroadiana—who has never yet failed me in answering questions about railroad history, no matter how obscure).

DOYLE REPORT A 'BIBLE'?—I thought that speech of Commerce Undersecretary Martin to the U.S. Chamber of Commerce (RA, May 8, p. 29) was pretty discerning and heartening, on the whole. However, he referred to the Doyle report as a 'bible'—which I would concede, if by that is meant that you can find parts of it which will support almost any viewpoint you choose. I suspect the undersecretary ascribes more objectivity to some of the report than it deserves (e.g., his worry about rate-cutting by common carriers, of which Mr. Martin says there is too much—a conclusion which is not supported by the dangerous drift to private hauling).

Common carrier transportation costs shippers too much, largely because traffic is not divided among the several modes according to their relative economy; and present regulatory (and other governmental) policies are designed to prevent just that.

SANTA FE MICROWAVE

(Continued from page 14)

Meter checks of terminal equipment are made daily. Repeater locations are checked once every two weeks. Each tube in each chassis has its own test jack for readings of cathode current. Every three to four months a complete check of the tube complement is made.

Andrews parabaloid antennas are provided for the Bena-Oak Creek and Oak Creek-Flash Two paths. For the short five-mile hop between Barstow and Flash Two, 4-ft dishes are used. and 6-ft dishes were employed at each end of the Bakersfield-Bena hop. Tower Construction Co. provided the antenna towers. Armco steel buildings house the repeaters. The terminals are housed in the passenger station at Barstow and the freight station at Bakersfield. The microwave system was engineered and installed under the jurisdiction of J. A. Parkinson, general superintendent, signals and communications.

HOLLAND PIGGYBACK SHOW

(Continued from page 25)

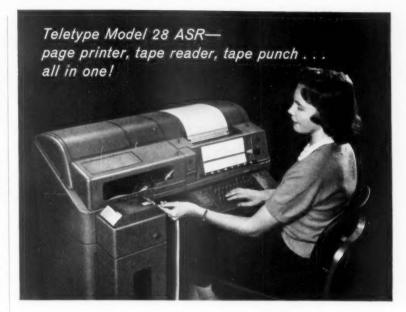
Dutch passenger service is provided by electric and diesel MU sets fitted with automatic MU couplers, while freight cars retain the link-and-screw coupling with side buffers.

But the flexible timetable is essential to piggyback within The Netherlands. With restricted distances, overnight service has limited appeal when a truck can take goods from almost anyplace in the country to almost anyplace else in a few hours, and when canal boats offer overnight package service even for such high-rated commodities as books from the central wholesale book warehouse in Amsterdam.

The bolder young men in NS headquarters have an answer for that, too run high-speed piggyback trains in the daytime between the passenger trains.

Whether these "Young Turks" carry their point or not, NS deserves credit for initiative: for giving piggyback serious thought, for studying the developments of other railways to see if they'll fit Dutch conditions, and for giving public, shippers and truckers an opportunity to view piggyback in action and add their voices to the ultimate decision.

One spectator, at least, added his voice in no uncertain terms: "Either the railways adopt it now," he said as the Kangourou trailer rolled into its pouch, "or they might as well close up shop, so far as freight is concerned, within 20 years."



A compact data communications center

The Teletype Model 28 ASR set is a machine of many talents—time and money saving talents that are ready to go to work in your data and message communications systems.

The page printer provides facilities for sending and receiving on message paper or sprocket-fed forms. It can also be used for preparing records or as a read-out device. Platens are available to accommodate a variety of form widths, from $3\frac{5}{8}$ " to 9".

The punched tape equipment is unusually flexible and versatile. Facilities are provided for encoding data into tape (with or without printing on the tape)... transmitting from tape... integrating repetitive data from previously prepared tape with variable data by keyboard... obtaining punched tape as a by-product of communications for computer and other business machine input. There is a choice of four different punches and four different readers and, where additional tape punch facilities are needed, a model is also available with an auxiliary tape punch.

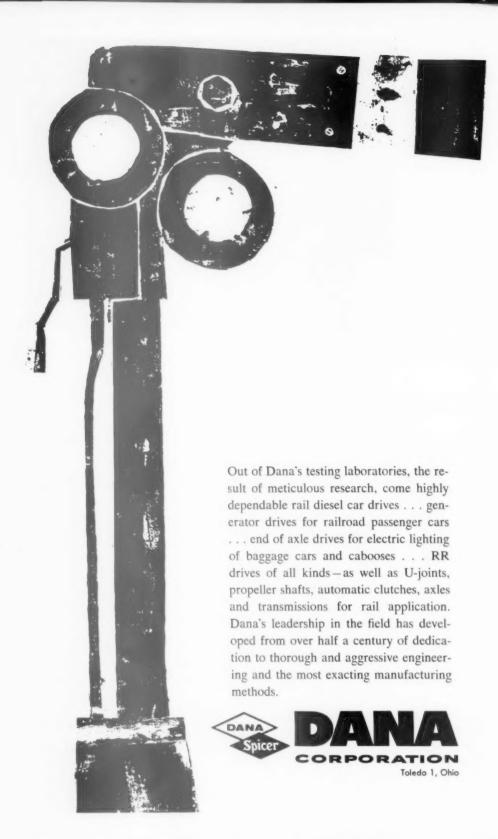
In addition, the Model 28 ASR comes equipped with a "big plus"—the Stunt Box, a built-in programming mechanism that offers an inexpensive solution to a wide variety of remote control and switching tasks, such as automatic station selection and telemetering.

All of these facilities are available to you in a compact console measuring approximately 39'' high, 36'' wide and 23'' deep.

Teletype Corporation manufactures this equipment for the Bell System and others who require the utmost reliability from their data communications facilities. Teletype equipment can be used with Data-Phone and other communications services.

For a free brochure on the Model 28 ASR, write to Teletype Corporation, Dept. 81E, 5555 Touhy Avenue, Skokie, Illinois.

CORPORATION • SUBSIDIARY OF WESTERN ELECTRIC COMPANY INC.



SERVING RAIL TRANSPORTATION—Transmissions • Universal Joints • Propeller Shafts • Generator Drives • Rail Car Drives • Pressed Steel Parts • Traction Motor Drives • Forgings • Stampings

Market Outlook

Carloadings Rise 1.4% Above Previous Week's

Loadings of revenue freight in the week ended May 13 totaled 511,405 cars, the Association of American Railroads announced on May 18. This was an increase of 7,861 cars, or 1.4%, compared with the previous week; a decrease of 80,600 cars, or 13.8%, compared with the corresponding week last year; and a decrease of 141,591 cars, or 20.4%, compared with the equivalent 1959 week.

Loadings of revenue freight for the week ended May 6 totaled 543,544 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS

For the week	ended Sat	turday, May	6
District	1961	1960	1959
Eastern Allegheny Pocahontas Southern Northwestern Central Western Southwestern	78,405 85,747 46,188 109,875 70,975 105,192 47,162	93,417 114,096 55,287 119,191 102,567 109,021 48,221	102,420 125,851 55,313 120,798 104,527 117,207 52,044
Total Western Districts	223,329	259,809	273,778
Total All Roads	543,544	641,800	678,160
Commodities: Grain and grain products Livestock Coal Coke Forest Products Ore Merchandise I.c.l. Miscellaneous	48,598 4,914 92,289 6,217 36,200 25,804 29,293 300,229	42,759 5,309 106,632 8,557 39,828 70,884 37,168 330,663	46,743 6,129 109,199 10,839 41,050 69,270 42,146 352,784
May 6	543,544	641,800	678,160

Cumulative total, 18 weeks ... 9,032,835 10,710,697 10,815,542

PIGGYBACK CARLOADINGS.

—U. S. piggyback loadings for the week ended May 6 totaled 11,755 cars, compared with 10,807 for the corresponding 1960 week. Loadings for 1961 up to May 6 totaled 191,641 cars, compared with 187,840 for the corresponding period of 1960.

IN CANADA. — Carloadings for the nine-day period ended April 30 totaled 70,608 cars, compared with 63,012 for the previous seven-day period, according to the Dominion Bureau of Statistics.

		Cars Loaded	Rec'd from Connections
Totals for Canada April 30, 1961 April 30, 1960	*****	70,608 90,186	28,852 34,187
April 30, 1961		1,001,342	423,218

New Equipment

FREIGHT-TRAIN CARS

- ► Burlington.—Included in 1961 freight-car program are 250 70-ton insulated box cars with special loading devices, ordered from Havelock, Neb., company shops for third-quarter delivery.
- ► New York Central.—Is completing specifications for 500 box cars scheduled to be built at the road's Despatch shops, East Rochester, N. Y.
- ► North American Car.—Has begun delivery of 80 40-ft refrigerator cars to John Morrell and Co., and will build an additional 100 cars for Morrell during the third quarter of 1961.
- Northern Pacific.—Authorized construction at Brainerd, Minn., company shops of 350 50½-ft box cars with 15-ft double doors, nailable steel flooring and 50-ton roller-bearing trucks. Construction is scheduled to start in the fourth quarter. This order replaces 150 50-ft box cars and 200 40-ft box cars originally included in NP's 1961 freight-car program (RA, Nov. 21, 1960, p. 31).
- ► Sandersville.—Ordered 25 covered hopper cars from Pullman-Standard.

PASSENGER-TRAIN CARS

- ▶ Passenger Service Improvement Corp. of Philadelphia.—Will open bids July 5 for 26 air-conditioned, stainless steel cars to be used in the city-sponsored program which offers rail commuters improved service at lower fares. Cars are expected to cost approximately \$5,000,000. Each will accommodate 125 passengers. Copies of specifications are available from the Procurement Department, City Hall, Philadelphia.
- ▶ Port of New York Authority.—Expects to announce shortly an order for approximately 50 commuter coaches to be leased to the New York Central. These will be the first cars ordered under the State of New York program for aiding its commuter railroads (RA, May 15, p. 7).

New Facilities

Formosa will install CTC between Chunan and Changhua, 54 miles. National Railways of Mexico ordered equipment for installation between Irapuato and LaGreiga, 60 miles. Central Railway of Brazil will install 43 miles of CTC on two suburban lines near Rio de Janeiro.

Maintenance Expenditures

▶ Down 10.1% in March.—Expenditures by Class I roads for maintenance of equipment, way and structures in March were down about \$26.2 million, compared to March 1960, according to report of AAR Bureau of Railway Economics summarized below:

	March 1961	March 1960	% Change
Maintenance of Way and Structures	\$ 90,856,080	\$103,072,608	-11.9
Maintenance of Equipment	143,139,738	157,121,004	- 8.9
Totals	233,995,818	260,193,612	-10.1

Schoeppel Urges Less Control

▶ The Story at a Glance: The ranking Republican member of the Senate Commerce Committee has called for greater rate freedom, more realistic tax depreciation policies, and fairer tax assessments on the local level for the nation's railroads. "The common carriers of this great nation are right now in unmistakable trouble," Sen. Andrew F. Schoeppel (R.-Kans.) told the Traffic Club of New York last Wednesday, and "what is needed is not to tighten, but to further relax, the reins of government control over railroads."

As for mergers, however, the senator warned that some of them "may only serve the short-term interests of particular managements" and may not be in the best public interest.

A senator who took a leading role in formulating the Transportation Act of 1958 warned last week that the "deteriorating" railroad situation existing prior to the passage of that act had grown still worse.

"The whole nation has been hard hit by transportation's reductions in capital spending, by reduced purchases from other businesses, reduced dividends to stockholders, and reduced spending by employees," said Sen. Andrew F, Schoeppel.

"It is all too clear," he added, "that every proper and necessary step should be taken, and quickly, to bring to a halt the continuing deterioration of our transportation forces."

"The Transportation Act of 1958," he continued, "was itself a cautious step in the direction of lessening restriction, but it went only so far. Those of us who are in the Congress continue to hear that a great deal of over-regulation still remains, and that this, coupled with government subsidy of competing modes and unfair tax policies, causes most of the railroads' ills today.

"Regulations that served their purpose decades ago," the senator said, "but which have little relation to the competitive situation that has developed over the past quarter of a century, continue to burden the rail carriers...

"One carrier—the railroads—is still 100 per cent regulated, while large segments of other modes of transportation go about their business unregulated.

"The rates of regulated carriers must be published and cannot ordinarily be changed except upon 30 days published notice, while the rates of unregulated carriers need not be published and may be changed at will. It is obvious that the regulated carriers are left with their

hands literally tied behind their backs in competing for the traffic involved."

The senator also attacked as "unrealistic taxation" the "extraordinarily long life for tax depreciation purposes assigned to railroad property."

"I am told," he said, "that the average write-off is still nearly 40 years. This means, simply, that freight cars purchased in the 1930's at a cost of \$2,500 are being replaced today by cars costing \$10,000 or more. Thus, for each new car purchased, the railroads must find at least \$7,500 in addition to the \$2,500 they recover in depreciation on the original car.

"A lowering of the tax write-off period to a maximum of 15 years for rolling stock and 20 years for other transportation property is accordingly being urged by the railroads (and I happen to be one who thinks it's reasonable)."

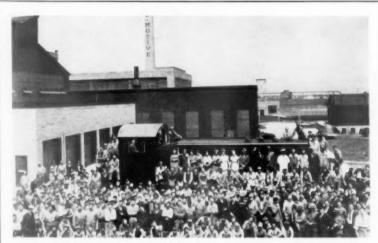
Senator Schoeppel had a word of caution on mergers, however. "I am all for giving the parties a maximum of freedom to act in such matters," he said, "but mergers which could result like the playground baseball game with all the big, strong kids on one side and the weak ones on the other will not best serve the public interest."

Senator Schoeppel also took a slap at local tax assessments on railroad property. "In many areas of the country," he said, "railroad property is assessed at higher rates than other industrial property. This over-taxation of the railroads has been estimated to add up to \$141 million annually—an amount equal to almost one-third of the rail industry's entire net income for 1960!

"That amount of money would just about pay for 50 fully-equipped modern streamlined trains. Or . . . it could add as many as 14,100 [freight] cars."

Senator Schoeppel concluded by saying that "we cannot afford to indulge in practices and policies which serve in any way to undermine the soundness of our transportation. This is an indulgence which is even more foolhardy in a time of national peril. . .

"As I see it, the time has come to unshackle transportation and to give the shipper a break."



New Offering from EMD-25 Years Ago

Twenty-five years ago last Saturday—May 20, 1936—Electro-Motive Division's LaGrange, Ill., plant turned out its first locomotive, with restrained hoopla and picture-taking. Plant officers and employees clustered around the 600-hp switcher—and after the ceremonies had been observed, the first unit went to Santa Fe as No. 2301 assigned to the Chicago terminal. Later, the unit went south, to service on Santa Fe's Gulf Lines and in Oklahoma.

It was renumbered twice—to 2150 in 1937 and to 650 in 1953—before finally going on to retirement in February 1957. The switcher's last number, however, is maintained on Santa Fe's roster by a replacement unit, a 900-hp switcher acquired in May 1957. And since LaGrange turned out that first locomotive 25 years ago, EMD (plus GM Diesel Ltd. and four overseas affiliates) has put over 24,000 GM locomotives on U. S. and foreign rails.

'One World' for Suppliers-

The railway supply industry is going more world-wide all the time. In this week's issue orders booked by one company-General Railway Signal-are reported for CTC installations in Europe, Asia and Latin America. Last week Union Switch & Signal reported a CTC order for Brazil. Just since January 1 this year, orders have been placed, or bids sought, from U.S. suppliers for a total of 275 diesel locomotives, 4,150 freight cars, 90 subway cars, 281 miles of CTC, 155 miles of electrification, 412 miles of new line construction, 580 miles of line rehabilitation, a passenger station, sub station equipment, track fittings and materials, replacement parts, etc. These originated in 17 different countries in four of the world's con-

This is good news to U.S. railway

men, as well as to the suppliers, for it will help keep domestic manufacturing facilities busy and hold down unit costs of materials and equipment.

Part of the exciting development of increased U.S. railway supply trade, abroad, to us anyhow, is our new International Railway Journal. An introductory issue in October 1960 and five regular monthly issues published so far this year have been edited and published at The Hague in Holland where Simmons-Boardman now has an office and an editorial staff (at Lange Poten 29visit us if you are over there). These early issues have carried 101 pages of advertising by 50 railway supply firms directing sales efforts to the booming railway markets overseas. Of these, 72 pages-30 companiesare U.S. firms, indicative of their interest in expanding export sales.

The Railway Progress Institute is working hard to further this movement. A new Committee on Foreign Trade has already met with the Department of Commerce discussing matters of credit and finance which are importantly related to their ability to compete for world trade. This committee's contribution to growth of these sales can be substantial.

The world is not as large as it used to be, and while the railways of the different continents are not about to be hooked up, their interest in each other and the interchange of methods and technology is.

Robert & Lawn

Justice Department Backs NYC Plea

The U.S. Department of Justice has come out in support of a New York Central petition asking the ICC to consolidate five eastern merger and control proposals into a single proceeding (RA, May 8, p. 34).

The Department told the ICC that one comprehensive hearing would prevent "extraordinary" expense to all concerned.

If the petition is granted, a single case will evolve from five separate proceedings—Norfolk & Western-Nickel Plate; Norfolk & Western-Wabash; Norfolk & Western's proposal to purchase the Pennsylvania's Sandusky line to link N&W-NKP; Chesapeake & Ohio-Baltimore & Ohio; New York Central-Baltimore & Ohio.

In its own petition to the ICC, the Department of Justice noted that in the five pending cases "comprehensive evidence" must be gathered "in order to determine what would be adequate transportation for the shipping and traveling public, what would be the effect of inclusion, or failure to include. other railroads in the territory, what would be the total fixed charges resulting from the proposed transactions, and what would be the interest of the carrier employees affected. Consideration of adequate rail service to the public calls for consideration not only of what rail service is required. It also requires consideration of adequate rail service to satisfy the needs of the postal service and the national defense, as specified by the national transportation policy."

The petition said that unless the proceedings are consolidated, there will be "time-consuming, repetitive appearances by witnesses, parties and counsel in each case with extraordinary expenses for all."

A New York Central spokesman said last week that six cities—Boston and Springfield, Mass., Buffalo and Syracuse, N.Y., and Elkhart and South Bend, Ind.—were formally supporting the single-hearing petition, along with the State of New York.

But in Washington, the N&W and NKP on May 18 asked the ICC to deny the petition, which they called "another step in the Central effort to delay or destroy any mergers in the East which do not embrace that railroad." They also asked the Commission to reject NYC's request that it be included in the proposed N&W-NKP-Wabash consolidation.

D&RGW Upheld in Strike Case

The U. S. Court of Appeals, Tenth Circuit, has refused to upset a District Court decision holding unlawful a strike called by operating employees to force payment of a money award granted to an employee by the First Division of the National Railroad Adjustment Board.

The dispute, BRT vs the Rio Grande, involves awards which the railroads contended were "clearly erroneous" and refused to pay. The Trainmen walked out, and Rio Grande went to court to secure a restraining order to halt the strike, The BRT appeal followed (RA, Aug. 8, 1960, p. 9).

The union's position is that the language of the Railway Labor Act permits it to press for enforcement of awards either through exercise of economic strength or through the courts. The railroad contends that the proper approach is through the courts.

In its opinion, the Court of Appeals noted:

"We agree with the trial court that the strike call was illegal because in disputes of the nature here involved the statutory remedy is exclusive, and the Board's money award may be enforced only by an action in the United States District Court as provided for in Section 3, First (p) . . .

"The contention here is that since the employees did submit their disputes to the Adjustment Board, which made money awards in their favor, the failure of the railroad to honor the awards leaves them free to strike. This position is premised upon the corollary contention that the provision authorizing an action to be brought in the federal district court is not mandatory. With these contentions we cannot agree . . . "



Golden Spike Award Winners Take a Bow

Winner of the tenth annual Golden Spike Awards advertising competition was the Locomotive and Car Equipment Department of the General Electric Co. (RA, May 15, p. 53). Plaques were accepted for the department and its advertising agency by Daniel C. Kaufherr, vice president of Gotham-Vladimir Advertising, Inc., front row left, and L. F. Howard, GE Equipment Department specialist in metropolitan transportation development, front row center. Carlos J. Cacioppo, president of the Marshall, Tex., Chamber of Commerce, front row right, accepted a special merit award for the Chamber and the Marshall News Messenger. In the second row, left to right, are J. J.

Stallman, advertising manager of Pullman-Standard, who accepted a certificate of merit for P-S; J. M. Ragsdale (AAR advertising manager and incoming president of the Association of Railroad Advertising Managers), chairman of the Awards Committee; A. L. Kohn (SP general advertising manager and outgoing president of ARAM), also on the committee: and George R. Corcoran, manager-advertising, American Car & Foundry Division, ACF Industries, Inc., and Howard Abney, sales representative, Arrow Domestic Division, Cluett, Peabody & Company, Inc., who accepted certificates of merit for their companies. Also a winner, but not represented, was Schweppes (U.S.A.) Ltd.

Johnston Asks Transport 'Unity

Illinois Central President Wayne A. Johnston called for recognition of "common responsibilities and common opportunities" among all forms of transportation in an address before a National Transportation Week luncheon in Chicago, May 18.

"We are wrong," he said, "regardless of what branch of transportation we happen to be in, when we seek to prevent any common carrier from improving his service to the public. We common carriers have not always been wise enough to live by this rule, but we must be wise enough to do so from now on."

Mr. Johnston called for a "spirit of unity" within the transportation industry and suggested three areas for reaching agreement on intermodal differences:

• Diversification. "We are already nearer that objective in actual practice than is commonly recognized," he said. and declared that common ownership should be extended to permit "the shipper to shop at one store for exactly the kind and character of transportation he needs."

· User Charges. "The imposition of adequate user charges isn't going to put any form of transportation out of business or impede its progress," he said, and declared that user charges are "a matter of economic justice."

· Subsidies. Mr. Johnston called subsidies "an insidious thing" and declared that "we can and should get rid of all subsidies in all forms of transportation."

Government spending has "distorted the law of supply and demand in transportation," he said and advised that, while easier said than done, "the obvious thing to do is to get the government out of transportation."

IC's president declared: "We common carriers must do everything in our power to help the situation. We need a program of education, so that the American public may easily be able to understand the fact that government-sponsored transportation is expensive transportation. Even as we compete, we common carriers need to band together to work for the indus-

'Special Interests' Oppose Coordination, Says Doyle

Maj. Gen. John P. Dovle renewed his appeal last week for coordination of government transportation policies.

"What is vital to the health of our economy and to the survival of common carriers under private ownership." he declared, "is that government find a way to coordinate its actions in regard to what the President calls 'a series of competitive industries which must be viewed as a whole."

The objective, said the director of the Senate transport study out of which came the so-called Dovle Report, is a coordinated system "in which the cost and service characteristics of each desirable mode complement those of the other modes toward providing the best overall service at the lowest cost . . .

He went on to say, in remarks prepared for delivery at a Transportation Association of America conference in Baltimore May 17:

"Theoretically, we might achieve our objective through nationalization of all line-haul transport. We don't believe this is the answer and are committed to private ownership.

Theoretically, we might reach our objective through national regulated monopoly under private ownership. Again, we don't believe in this-and are committed to preservation of regulated competition.

"We believe that government must change the present pattern of regulation, which worked when regulation dealt only with competitors of a single mode-the railroads-but which has resulted in increasing trouble since highway, waterway, airway and pipeline transport matured . . ."

General Doyle said that the fact that the present lack of coordination of government transport policies has not been remedied is "testimony to the power of those special interests who believe they may be benefited by lack of analytical coordination in government promotion and regulation of transportation."



Curtiss E. Crippen Milwaukee



Norman H. Peterson Timken



John H. Fellows Timken



S. S. Bruce, Jr. Airco

PEOPLE IN THE NEWS

CANADIAN NATIONAL.—W. I. Doney, industrial agent, Montreal district, appointed manager industrial development, St. Lawrence region, Montreal.

DELAWARE & HUDSON.—T. J. Gilheany, research assistant, Albany, N. Y., has retired and that position abolished. All matters pertaining to machine accounting procedures will be under jurisdiction of R. M. Gerard, manager—machine bureau.

ERIE-LACKAWANNA.—Oliver G. Carey, signal engineer, Cleveland, appointed chief signal engineer there, succeeding John R. Heisler, who retired April 30. Willis E. Bell, assistant to chief signal engineer, named assistant signal engineer and his former position abolished. Edward J. Manolt appointed communications supervisor, Terminal and New York divisions, Hoboken, N. J., succeeding Robert 9. Willis, retired. Edward F. Dempsey named assistant communications supervisor, Terminal and New York divisions, Hoboken.

FLORIDA EAST COAST.—H. P. Hohn, Jr., appointed general car supervisor, St. Augustine, Fla.

LEHIGH VALLEY.—Colby M. Chester elected chairman of the board, effective May 11. Mr. Chester has been a director of the road since 1934 and is chairman of the executive and finance committee.

O. H. Hoffman, general passenger agent, Pier 8 North River, New York 6, named director of public relations at 143 Liberty Street, New York 6.

LOUISVILLE & NASHVILLE.—William A. Sparks, formerly vice president in charge of traffic, sales and advertising, The Silver Fleet Motor Express, Inc., Louisville, Ky., named assistant to vice president, traffic. L&N. Mr. Sparks' responsibilities will include piggyback and automobile rack car services and studies being conducted in connection with possible expansion into direct highway transportation.

Coy W. Holoway, assistant to freight traffic manager, Louisville, named assistant to manager, sales and service there.

MILWAUKEE.—Curtiss E. Crippen, assistant to president, elected vice president—finance and accounting, to succeed Rolph S. Stephenson, who retires May 31.

G. M. Ryan, general freight traffic manager—rates and divisions, Chicago, retired May 15.

MISSOURI PACIFIC.—J. H. Lloyd, Jr., vice president-operation, Rock Island, Chicago, elected

vice president-operation, MP, to succeed L. A. Gregory, who retires May 31. V. A. Gordon, vice president, Houston, retires May 31.

L. A. Bruns, assistant treasurer, elected treasurer, succeeding E. G. Wagner, who retired March 31.

R. E. Houssner appointed assistant master mechanic, DeQuincy division, DeQuincy, La. Lowrence R. Christy, chief mechanical officer, and William H. Hobbs, chief engineer, retire May 31.

NICKEL PLATE.—John T. Brennon appointed general passenger agent, Cleveland, succeeding Chorles H. Garn, retired.

PENNSYLVANIA.—A. R. Marsh appointed superintendent-equipment, Chicago.

REA EXPRESS.—Walter N. Johnson, assistant to vice president traffic, appointed director of purchasing, with headquarters as before at New York.

R. E. Conzoniero, manager, trailer leasing of Rail-Trailer Co., Chicago, appointed regional manager of REA Leasing Corp. at New York.

SEABOARD.—C. W. Scribner, office assistant to the general manager, named assistant to J. N. Broetzman, general manager.

SOUTHERN.-Challen E. Caskie, assistant freight traffic manager, Richmond, Va., appointed assistant to vice president—traffic department, Washington, D. C. Robert S. Geer, assistant general western freight agent, Chicago, succeeds Mr. Caskie at Richmond. Turnbull Bernard, assistant general freight agent, Valdosta, Ga., appointed general agent (construction materials). Hubert Salyer, division freight agent, Knoxville, Tenn., appointed assistant general agent (construction materials). Ben L. Skinner, assistant general freight agent, Jacksonville, Fla., transferred to Valdosta, succeeding Mr. Bernard. James O. Lowe, district freight agent, New York, succeeds Mr. Geer at Chicago, Rhuell F. Poole, district freight agent, Lynchburg, Va., named assistant general freight agent, Washington, D. C. Frank E. Haller appointed assistant to freight traffic manager, Washington. J. Ray Thomas, commercial agent, Atlanta, Ga., appointed division freight agent, Knoxville, succeeding Mr. Salyer. C. Archer Foster, division freight and passenger agent, Johnson City, Tenn., promoted to assistant general freight agent, Jacksonville, succeeding Mr. Skinner. David A. Brown, commercial agent, Fort Pierce, Fla., named division freight and passenger agent, Johnson City.

Supply Trade

Normon H. Peterson, advertising manager, Timken Roller Bearing Co., Canton, Ohio, has been appointed assistant to the president. John H. Fellows, sales promotion manager and manager of college relations, succeeds Mr. Peterson as advertising manager.

5. 5. Bruce, Jr., assistant manager of railroad marketing, Air Reduction Soles Co., Pittsburgh, Pa., has been appointed manager of the company's national railroad sales department at Pittsburgh, succeeding D. J. Williams, who retires June 1.

W. T. Ylvisoker has been elected executive assistant to the president, General American Transportation Corp. Mr. Ylvisaker was formerly president of the Parker-Kalon division. J. R. Scanlin, a director, elected vice president. Leonard B. Lippman, head of the tax and insurance departments, has been elected secretary of the corporation, replacing Benjamin A. Kiekhofer, named secretary to the executive committee.

William H. Hortley has been appointed manager, market research, Budd Co., Philadelphia, Pa.

Champ Carry, president, Pullman, Inc., has been elected chairman and chief executive officer, effective July 1. W. Irving J. Osborne, Jr., has been named president of Pullman, succeeding Mr. Carry.

Warren W. Brooks has been appointed sales representative and technical advisor for the St. Paul district of Chipmon Chemical Co., Inc., at 786 North St. Albans Street, St. Paul, Minn. Mr. Brooks will be active in railroad, industrial and agricultural sales. He was formerly supervisor of wood preservation, National Pole and Treating Division of Minnesota and Ontario Paper Co.

Frank Baird-Smith, president of Refiners Transport & Terminal Corp., Detroit, Mich., has been assigned additional duties as president of Bulk Terminals Company. Both companies are subsidiaries of Union Tank Car Company.

D. B. Wood has been appointed manager of bearings development of Aluminum Co. of America. Mr. Wood will be responsible for furthering the use of aluminum in the area of railroad journal bearings, industrial equipment, automotive, and heavy duty engine bearings and bushings.

OBITUARY

John F. Considine, 59, general manager, General American Transportation Corp., died May 14 in Michael Reese Hospital, Chicago.

William S. Hefferan, Jr., 67, retired vice president, General American Transportation Corp., died May 10 in Evanston Hospital, Evanston, III.

Frederick C. Heinen, vice president of the Youngstown Steel Door Co., New York, and president of Camel Co., Ltd., died May 8 in Greenwich Hospital.

Paul M. Johnson, 60, assistant general counsel, Railroad Retirement Board, died May 9 at his home in Oak Park, Ill.

Word N. Messimer, 66, retired equipment manager. Merchants Desputch Transportation Corp., died May 10 in Passavant Memorial Hospital, Chicago.

You Ought To Know...

- A new fast freight, "Yankee Jet," went into westbound service between Boston and Chicago last week via a new through route over the New Haven, Lehigh & Hudson, and the Pennsylvania. The train leaves Boston at 5:30 p.m. for early second-morning arrival in Chicago. It's designed, says PRR, "to rush highway trailers on flat cars, merchandise shipments, forwarder freight, and other shipments in box cars from New England to Chicago and beyond at a saving of a full business day en route '
- A Congressional subcommittee heard Frisco General Solicitor Ernest D. Grinnell, Jr., last week tell how new autos traveling by rail have been damaged by acid spray, shotgun blasts and rifle bullets. Mr. Grinnell testified in support of H.R. 2429, which would make it a federal offense to damage or destroy shipments moving in interstate commerce.
- Hearings on Southern's application to acquire stock control of the Central of Georgia will open in Atlanta, Ga., May 29. Southern President Harry A. DeButts told stockholders at Richmond, Va., last week that he is "hopeful" of ICC approval before the year ends.
- The present "merger mania" could lead to nationalized railroads, asserts President George M. Harrison of the Brotherhood of Railway Clerks. His reasoning: Rich railroads are merging and leaving poor roads stranded. The government will have to take over the poor roads. Then, "if past performance is any indication of future action, the fat will have been picked off the carcasses of the well-to-do roads and they will then be 'problem' railroads, ready for government ownership."

- "Long-term prospects now seem promising that the role of government in transport will be made to conform to the controlling economic principles far more closely than in the past," James C. Nelson, professor of economics at Washington State University, told the Transportation and World Trade Conference in Portland, Oregon, May 18. But he wondered if the nation is "now ready to face up to allowing the competitive markets that present-day transport techonology makes feasible to divide the traffic efficiently and to influence the relative growth of alternative techniques just as in other fields of enterprise?"
- "Coordination of services and elimination of wasteful and unnecessary duplication of facilities on our parallel and interweaving lines would help hold costs and rates to the lowest possible levels," said Southern Pacific President D. J. Russell as he explained to shareholders at SP's annual meeting why SP wants to gain control of Western Pacific.
- Proposed suspension of the ICC's power to approve railroad mergers (RA, May 15, p. 55) is opposed by the Transportation Association of America. The TAA board of directors last week declared that "soundly conceived mergers and consolidations between carriers of the same type will strengthen the transportation industry, produce improved service at reduced cost to the public, and redound to the long-range benefit of its employees."
- May marks the 125th anniversary of the use of railroads in military operations, notes the Southern magazine, Ties. In late May 1836, says the magazine, a Southern predecessor line, the South Carolina Canal and Rail Road Co., carried troops to battle against the Creek Indians in Georgia.
- One passenger was killed and 101 passengers were injured in train and train-service accidents in March, according to the ICC's preliminary summary. Eight employees on duty were killed and 1,556 were injured.

- C&O President Walter Tuohy, who started his railroad career on a freight dock in Chicago at the age of 16, has been named a Horatio Alger Award winner. Among the nine other winners named by the American Schools and Colleges Association: former President Dwight D. Eisenhower.
- A new Flexi-Van car, designated the "Mark III," and incorporating a simplified turntable system in the car floor, has been unveiled by New York Central. The new unit weighs 11,000 lb less and costs almost \$2,000 less than older Flexi-Van units.
- Illinois Central expects to receive annual freight revenue of about \$5.6 million from 95 new or expanded industries located on its lines last year, according to Wayne A. Johnston, IC president, who also told shareowners at their annual meeting that in 1961 IC "will do as well as we did in 1960 and we hope to do better."
- Last Missouri Pacific passenger service between Kansas City and Omaha (now provided by Nos. 105 and 106, the "Missouri River Eagles") is up for discontinuance. Operation of the two trains between St. Louis and Kansas City will not be affected.

NH Wins Tax Relief

Massachusetts joined Connecticut, Rhode Island and New York last week in delivering a \$6.2-million-a-year tax-relief package to the New Haven. Massachusetts, last of the four states to act on the program, also exempted the Boston & Maine from payment of \$1,550,000 a year in taxes.

In Washington, meanwhile, there was more good news for the New Haven. The ICC, after consulting with the White House, agreed to guarantee an additional NH loan of \$1.5 million-bringing the total of federally-guaranteed loans for the ailing road to over \$23 million. The ICC confirmed reports that White House aides had told the Commission Administration Kennedy wanted to keep the New Haven running, but declined to comment further.

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Hoffa Invites All-Out Probe

It might well turn out to be an unintentional favor to railroads that Hoffa and the ATA and the barge operators have so vigorously attacked the slight degree of freedom in rate-making extended to railroads by the Transportation Act of 1958. Let's examine this possibility—

The 1958 amendment empowered regulated carriers to make competitive rates without regard to their effect on other forms of transportation—but added the provision that rates so established must give "due consideration to the objectives of the

national transportation policy."

This weasel-worded reservation (as thus far applied) has simply meant that the ICC has been empowered to approve or disapprove proposed rates, otherwise entirely legitimate, pretty much as it sees fit. Since the 1958 amendment was enacted, the ICC has, in actual fact, allowed many railroad rates to become effective, over the protests of their competitors. On the other hand, the Commission has by no means given up regulating railroad rates so as to hold a protective "umbrella" over truck and water carriers, especially the latter.

In brief, the 1958 amendment to the rate-making rule gave railroads only a small part of the freedom they need to compete effectively. They are still, too often, restricted uneconomically by the ICC in making competitive rates. And now they are being forced to defend this little mite of freedom they have against an all-out assault by Mr. Hoffa, and his satellites in the truck and barge business.

HALF-FREEDOM ISN'T ENOUGH

So be it. There is no point in the railroads' going out half heartedly to defend half-freedom. If there is going to be any effective defense at all, then it can only be an all-out campaign for genuine freedom, with full hearings before the appropriate legislative committees. If Hoffa and company are successful in their effort to destroy the little freedom to compete that railroads enjoy, then the result will be railroad bankruptcy and government ownership at no far-distant date. On the other hand, if railroads do the kind of job they cannot avoid doing if they are going to defend their present situation effectively—then they can do so only by a large-scale campaign to educate responsible citizens in the economic principles involved in transportation pricing.

If such an educational effort is successful at all,

then its effect cannot very well stop merely at preserving the "status quo" but will almost inevitably result in further liberalization of regulation.

A pleasant and informative discussion of the basic principles involved is conveniently at hand in a new book—clearly written, authoritative and up-to-date. This book is "Principles of Public Utility Rates," by Professor James C. Bonbright (Columbia University Press). The author's main emphasis is on the pricing of electric power, but the railroad aspects of the problem are quite adequately treated.

WHAT RAILROADS CAN PROVE

Because of Professor Bonbright's analysis, and the observations of other competent and objective authorities in this area, we believe railroads can expect to gain general acceptance among unprejudiced and competent citizens (including legislators and regulators) of such conclusions as these:

 Railroads provide the most economical means of hauling the bulk of the nation's freight traffic and must be

kept in service.

• Railroads must have a constant inflow of private investment capital—an inflow which is not adequate now, and cannot be until railroad net earnings are at least double the miserly 3% or less, recorded in recent years.

• Unless and until the essential railroads are earning a return adequate to attract a liberal inflow of new capital, then it is contrary to the public interest to deny them the right to make any competitive rates they see fit—which will clearly more than defray direct costs and make a net contribution to constant costs (and hence to net earnings). Government cannot concede that railroad service is essential and, at the same time, deny it the means of continued existence.

• Efficient railroad service being essential to the public welfare, it is contrary to the public interest to regulate railroads more restrictively than other common, contract and private carriers competing with them for traffic. It is absurd to deny common carriers the right to discriminate in their pricing as between dependable and sporadic patrons (a right all electric utilities exercise in their pricing).

• The kind of costs appropriate to apply in regulating minimum competitive rates are, emphatically, not so-called "fully distributed costs," but are, rather, the direct costs that will be incurred in moving the sought-after traffic, and which would be saved if the traffic does not move.

In determining which of several modes of transportation is the "low-cost carrier", regulators must calculate the costs of each in a uniform manner. It is anti-economic to omit fixed-plant costs of one form of transportation and include them in cost estimates of other carriers.

Messrs. Hoffa and company have, in effect, insisted upon an all-out inquiry into the economic principles which should be observed in the regulation of minimum competitive rates. Railroads should oblige by full revelation of the analyses and conclusions in this area of the nation's most competent and wholly disinterested authorities. If this course is followed, there is small chance that railroads' rights to make competitive rates will be further restricted. On the contrary, once the pertinent facts are widely recognized, the freedom of railroads to compete could and should be greatly extended.



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